

RICHTERSVELD

MUNICIPALITY



**MUNISIPALITEIT
RICHTERSVELD
MUNICIPALITY**

Die Richtersveld leuse is:

!Ghâi //Khoredi

Dit beteken: "Strewe na sukses" in Nama

[These financial statements have not been audited]

FINANCIAL STATEMENTS

30 JUNE 2019

RICHTERSVELD MUNICIPALITY

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RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

NATURE OF BUSINESS

Richtersveld Municipality is a local municipality performing the functions as set out in the Constitution. (Act no 105 of 1996)

COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998)

JURISDICTION

The Richtersveld Municipality includes the areas of Port Nolloth, Eksteensfontein, Kuboes, Alexander Bay, Sandrift and Lekkersing.

MAYOR

AM Jansen

MUNICIPAL MANAGER

SC Adams (Acting)

CHIEF FINANCIAL OFFICER

HA Raymond (Acting)

REGISTERED OFFICE

Private Bag X113
PORT NOLLOTH
8280

AUDITORS

Auditor-General

PRINCIPLE BANKERS

First National Bank

RICHTERSVELD MUNICIPALITY

FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

GENERAL INFORMATION

ATTORNEYS

Tobie Kotze & Van Sitterts
Schreuders

RELEVANT LEGISLATION

Basic Conditions of Employment Act (Act no 75 of 1997)
Collective Agreements
Division of Revenue Act
Electricity Act (Act no 41 of 1987)
Employment Equity Act (Act no 55 of 1998)
Housing Act (Act no 107 of 1997)
Infrastructure Grants
Municipal Budget and Reporting Regulations
Municipal Finance Management Act (Act no 56 of 2003)
Municipal Planning and Performance Management Regulations
Municipal Property Rates Act (Act no 6 of 2004)
Municipal Regulations on Standard Chart of Accounts
Municipal Structures Act (Act no 117 of 1998)
Municipal Systems Act (Act no 32 of 2000)
Municipal Systems Amendment Act (Act no 7 of 2011)
SALBC Leave Regulations
Skills Development Levies Act (Act no 9 of 1999)
Supply Chain Management Regulations, 2005
The Income Tax Act
Unemployment Insurance Act (Act no 30 of 1966)
Value Added Tax Act
Water Services Act (Act no 108 of 1997)

MEMBERS OF THE RICHTERSVELD MUNICIPALITY

WARD

1
2
3
4
Proportional
Proportional
Proportional

COUNCILLOR

WJP Links
A Bock
G Beukes
CJ Stuurman
AM Jansen
SM Isaaks
R Jonker

RICHTERSVELD MUNICIPALITY

APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements year ended 30 June 2019, which are set out on pages 1 to 94 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality.

The annual financial statements have been prepared in accordance with Standards of Generally Recognised Accounting Practice (GRAP), including any interpretations, guidelines and directives issued by the Accounting Standards Board.

The annual financial statements are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

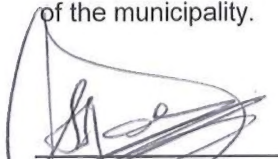
I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2020 and am satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and the Minister of Provincial and Local Government's determination in accordance with this Act.

The annual financial statements were prepared on the going concern basis and the municipality has neither the intention nor the need to liquidate or curtail materially the scale of the municipality.



SC Adams (Acting)
Municipal Manager

2019/08/31

Date

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

	Notes	2019 R	2018 R
ASSETS			
Non-Current Assets		214 626 875	223 684 228
Property, Plant and Equipment	2	181 488 145	185 768 421
Investment Property	3	33 054 342	37 751 089
Intangible Assets	4	84 388	164 719
Current Assets		7 416 940	11 654 221
Inventory	5	553 594	558 480
Receivables from Exchange Transactions	6	3 018 757	3 376 866
Receivables from Non-exchange Transactions	7	1 496 457	1 357 602
Taxes	17	2 216 518	3 041 324
Cash and Cash Equivalents	8	131 615	3 319 949
Total Assets		222 043 815	235 338 449
NET ASSETS AND LIABILITIES			
Non-Current Liabilities		44 199 777	40 124 598
Long-term Borrowings	9	-	195 760
Non-current Provisions	10	41 071 580	37 043 003
Non-current Employee Benefits	11	3 128 197	2 885 836
Current Liabilities		24 424 736	24 908 258
Consumer Deposits	12	1 553 727	1 408 660
Provisions	13	-	1 994 712
Current Employee Benefits	14	2 716 082	2 539 674
Trade and Other Payables from Exchange Transactions	15	16 006 295	15 109 702
Unspent Transfers and Subsidies	16	4 045 313	2 300 679
Current Portion of Long-term Borrowings	9	103 320	1 554 830
Total Liabilities		68 624 513	65 032 856
Net Assets		153 419 302	170 305 593
Capital Replacement Reserve	18	739	739
Housing Development Fund	18	455 059	455 059
Accumulated Surplus/(Deficit)		152 963 504	169 849 795
Total Net Assets and Liabilities		222 043 815	235 338 449

RICHTERSVELD MUNICIPALITY

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
REVENUE			
Revenue from Non-exchange Transactions		41 234 575	65 555 799
Taxation Revenue		9 728 420	9 715 129
Property Rates	19	9 728 420	9 710 611
Surcharges and Taxes		-	4 518
Transfer Revenue		26 560 995	52 689 882
Government Grants and Subsidies	20	25 446 069	51 747 182
Public Contributions and Donations	21	1 114 926	942 700
Other Revenue		4 945 159	3 150 788
Actuarial Gains	11	-	17 164
Availability Charges	22	3 205 979	2 969 762
Fines, Penalties and Forfeits		66 736	6 384
Interest Earned - Non-exchange Transactions		1 672 444	157 478
Revenue from Exchange Transactions		26 205 914	24 763 307
Service Charges	24	19 888 316	19 165 927
Sales of Goods and Rendering of Services	25	1 347 749	2 031 261
Rent on Land	26	376 838	358 530
Rental from Fixed Assets	27	270 778	268 360
Interest Earned - External Investments	28	271 383	441 939
Interest Earned - Exchange Transactions	29	3 823 212	2 026 834
Licences and Permits.	23	1 254	6 646
Agency Services		72 319	389 410
Operational Revenue	30	154 064	74 400
Total Revenue		67 440 488	90 319 106
EXPENDITURE			
Employee related costs	31	(26 411 907)	(25 436 546)
Remuneration of Councillors	32	(2 489 136)	(2 445 929)
Bad Debts Written Off		-	(943 094)
Contracted Services	33	(3 817 352)	(7 059 081)
Depreciation and Amortisation	34	(10 091 962)	(10 868 357)
Actuarial Losses	11	(294 942)	(25 982)
Finance Costs	35	(2 812 892)	(1 915 474)
Bulk Purchases	36	(13 188 117)	(12 815 060)
Inventory Consumed	5	(1 168 134)	(1 606 512)
Operating Leases		(289 060)	(249 731)
Operational Costs	37	(8 525 671)	(7 353 811)
Total Expenditure		(69 089 174)	(70 719 578)
Operating Surplus/(Deficit) for the Year		(1 648 686)	19 599 528
Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	5	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	38	(8 967 698)	(4 255 470)
Gains/(Loss) on Sale of Fixed Assets	39	(1 474 433)	1 522 602
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	40	(4 612 933)	-
Discounting of Receivables		-	(910 130)
Fair Value Adjustments of Financial Asset	41	-	1 364 940
Profit/(Loss) from Discontinued Operations		-	-
Water Losses	42	(182 564)	(142 076)
NET SURPLUS/(DEFICIT) FOR THE YEAR		(16 886 314)	17 179 394

RICHTERSVELD MUNICIPALITY

STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2019

	Capital Replacement Reserve R	Housing Development Fund R	Accumulated Surplus/ (Deficit) R	Total R
Balance at 1 July 2017	739	455 059	161 336 977	161 792 776
Correction of Error - Note 44.6	-	-	(8 666 576)	(8 666 576)
Restated balance	739	455 059	152 670 401	153 126 200
Net Surplus/(Deficit) for the year	-	-	17 179 394	17 179 394
Net Surplus/(Deficit) previously reported Effects of Correction of Errors - Note 44.7	-	-	17 382 428 (203 034)	17 382 428 (203 034)
Restated Balance at 30 June 2018	739	455 059	169 849 795	170 305 593
Net Surplus/(Deficit) for the year	-	-	(16 886 314)	(16 886 314)
Transfer to/from CRR	-	-	-	-
Transfer to Housing Development Fund	-	-	-	-
Balance at 30 June 2019	739	455 059	152 963 481	153 419 279

RICHTERSVELD MUNICIPALITY

CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 R	2018 R
CASH FLOW FROM OPERATING ACTIVITIES			
Cash receipts			
Taxation		9 124 534	6 783 286
Service Charges		20 623 670	20 942 714
Other Revenue		3 226 389	3 152 993
Government - Operating		17 190 703	18 126 000
Government - Capital		10 000 000	35 579 000
Interest		271 383	441 939
Dividends		-	-
Cash payments			
Suppliers and Employees		(54 322 462)	(55 693 401)
Finance Charges		(513 944)	(329 067)
Transfers and Grants		-	-
Net Cash from Operating Activities	45	5 600 273	29 003 465
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of Property, Plant and Equipment		(7 286 426)	(26 660 830)
Proceeds on Disposal of Assets		-	1 719 961
Purchase of Investment Properties		-	-
Purchase of Intangible Assets		-	-
Purchase of Heritage Assets		-	-
Purchase of Agricultural Assets		-	-
Decrease/(Increase) in Non-Current Debtors		-	-
Decrease/(Increase) in Other Non-Current Receivables		-	-
Decrease/(Increase) in Non-Current Investments		-	-
Net Cash from Investing Activities		(7 286 426)	(24 940 869)
CASH FLOW FROM FINANCING ACTIVITIES			
Short term Loans		-	-
Borrowing - Long term/Refinancing		-	-
Increase/(Decrease) in Consumer Deposits		145 067	92 684
Repayment of Borrowing		(1 647 270)	(1 447 499)
Net Cash from Financing Activities		(1 502 204)	(1 354 815)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 188 356)	2 707 781
Cash and Cash Equivalents at the beginning of the year		3 319 949	612 167
Cash and Cash Equivalents at the end of the year	46	131 615	3 319 949
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		(3 188 334)	2 707 781

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2019

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2019 R	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	R	%
ASSETS								
Current Assets								
Cash	4 663 581	266 328	4 929 909	-	-	4 929 909	58 152	-98,82%
Call Investment Deposits	-	-	-	-	-	-	73 483	100,00%
Consumer Debtors	4 149 613	4 249 559	8 399 172	-	-	8 399 172	3 018 757	-64,06%
Other Debtors	1 111 107	(75 816)	1 035 291	-	-	1 035 291	3 712 975	258,64%
Current Portion of long-term receivables	-	-	-	-	-	-	-	-
Inventory	339 686	250 068	589 754	-	-	589 754	553 594	-6,13%
Total Current Assets	10 263 987	4 690 139	14 954 126	-	-	14 954 126	7 416 940	-50,40%
Non-Current Assets								
Long-term Receivables	-	-	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Investment Property	37 555 511	-	37 555 511	-	-	37 555 511	33 054 342	-11,99%
Investment in Associates	-	-	-	-	-	-	-	-
Property, Plant and Equipment	134 028 466	522 988	134 551 454	-	-	134 551 454	181 488 145	34,88%
Agricultural Assets	-	-	-	-	-	-	-	-
Biological Assets	-	-	-	-	-	-	-	-
Intangible Assets	199 616	(24 000)	175 616	-	-	175 616	84 388	-51,95%
Other Non-Current Assets	-	-	-	-	-	-	-	-
Total Non-Current Assets	171 783 593	498 988	172 282 581	-	-	172 282 581	214 626 875	24,58%
TOTAL ASSETS	182 047 580	5 189 127	187 236 707	-	-	187 236 707	222 043 815	18,59%
LIABILITIES								
Current Liabilities								
Bank Overdraft	-	-	-	-	-	-	-	-
Borrowing	1 399 434	-	1 399 434	-	-	1 399 434	103 320	-92,62%
Consumer Deposits	959 935	473 725	1 433 660	-	-	1 433 660	1 553 727	8,37%
Trade and Other Payables	8 136 237	1 169 317	9 305 554	-	-	9 305 554	20 051 608	115,48%
Provisions	2 545 897	65 495	2 611 392	-	-	2 611 392	2 716 082	4,01%
Total Current Liabilities	13 041 503	1 708 537	14 750 040	-	-	14 750 040	24 424 736	65,59%
Non-Current Liabilities								
Borrowing	-	-	-	-	-	-	-	-
Provisions	21 831 944	8 430 933	30 262 877	-	-	30 262 877	44 199 777	46,05%
Total Non-Current Liabilities	21 831 944	8 430 933	30 262 877	-	-	30 262 877	44 199 777	46,05%
TOTAL LIABILITIES	34 873 447	10 139 470	45 012 917	-	-	45 012 917	68 624 513	52,46%
NET ASSETS								
Accumulated Surplus/(Deficit)	146 719 073	(4 950 343)	141 768 730	-	-	141 768 730	152 963 504	7,90%
Reserves	455 060	-	455 060	-	-	455 060	455 798	0,16%
TOTAL NET ASSETS	147 174 133	(4 950 343)	142 223 790	-	-	142 223 790	153 419 302	7,87%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome 2019	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	R	%
REVENUE								
Property Rates	13 682 420	(1 030 230)	12 652 190	-	-	12 652 190	9 728 420	-23.11%
Service Charges - Electricity Revenue	12 612 530	3	12 612 533	-	-	12 612 533	12 883 107	2.15%
Service Charges - Water Revenue	8 129 195	(3)	8 129 192	-	-	8 129 192	4 840 604	-40.45%
Service Charges - Sanitation Revenue	4 095 319	(2)	4 095 317	-	-	4 095 317	3 019 558	-26.27%
Service Charges - Refuse Revenue	4 867 675	(1)	4 867 674	-	-	4 867 674	2 351 027	-51.70%
Rental of Facilities and Equipment	1 517 124	-	1 517 124	-	-	1 517 124	647 616	-57.31%
Interest Earned - External Investments	455 422	(1)	455 421	-	-	455 421	271 383	-40.41%
Interest Earned - Outstanding Debtors	2 058 691	1 287 882	3 346 573	-	-	3 346 573	5 495 656	64.22%
Dividends Received	-	-	-	-	-	-	-	-
Fines	19 901	1	19 902	-	-	19 902	66 736	235.32%
Licences and Permits	101 214	-	101 214	-	-	101 214	1 254	-98.76%
Agency Services	401 182	-	401 182	-	-	401 182	72 319	-81.97%
Transfers Recognised - Operational	19 071 000	1 375 000	20 446 000	-	-	20 446 000	26 560 995	29.91%
Other Revenue	2 913 513	(101 095)	2 812 418	-	-	2 812 418	1 501 814	-46.60%
Gains on Disposal of PPE	-	-	-	-	-	-	-	(100)
Total Revenue (excluding capital transfers and contributions)	49.2.5	69 925 186	1 531 554	71 456 740	-	71 456 740	67 440 488	-5.62%
EXPENDITURE								
Employee Related Costs	26 568 805	(779 322)	25 789 483	-	-	25 789 483	26 411 907	2.41%
Remuneration of Councillors	2 407 597	124 746	2 532 343	-	-	2 532 343	2 489 136	-1.71%
Debt Impairment	8 980 851	-	8 980 851	-	-	8 980 851	8 967 698	-0.15%
Depreciation and Asset Impairment	5 985 013	-	5 985 013	-	-	5 985 013	10 091 982	68.62%
Finance Charges	1 117 860	402 319	1 520 179	-	-	1 520 179	2 812 892	85.04%
Bulk Purchases	14 567 268	-	14 567 268	-	-	14 567 268	13 188 117	-9.47%
Other Materials	405 271	(146 586)	258 685	-	-	258 685	1 168 134	351.57%
Contracted Services	3 276 421	339 145	3 615 566	-	-	3 615 566	3 817 352	5.58%
Transfers and Grants	7 314 975	892 377	8 207 352	-	-	8 207 352	13 905 170	69.42%
Other Expenditure	-	-	-	-	-	-	1 474 433	100
Loss on Disposal of PPE	-	-	-	-	-	-	-	-
Total Expenditure	49.2.6	70 924 061	832 679	71 456 740	-	71 456 740	84 326 802	18.01%
Surplus/(Deficit)	(698 875)	698 875	-	-	-	-	(16 886 314)	-100.00%
Transfers Recognised - Capital	26 587 000	(14 858 000)	11 729 000	-	-	11 729 000	-	-100.00%
Contributions Recognised - Capital	-	-	-	-	-	-	-	-
Contributed Assets	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Capital Transfers & Contributions	25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(16 886 314)	-243.97%
Taxation	-	-	-	-	-	-	-	-
Surplus/(Deficit) after Taxation	25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(16 886 314)	-243.97%
Attributable to Minorities	-	-	-	-	-	-	-	-
Surplus/(Deficit) Attributable to Municipality	25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(16 886 314)	-243.97%
Share of Surplus/(Deficit) of Associate	-	-	-	-	-	-	-	-
Surplus/(Deficit) for the year	25 888 125	(14 159 125)	11 729 000	-	-	11 729 000	(16 886 314)	-243.97%

RICHTERSVELD MUNICIPALITY
STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2019

Notes	Original Budget	Budget Adjustments (i.t.o. s28 and s31 of the MFMA)	Final Adjustment Budget	Shifting of Funds (i.t.o. s31 of the MFMA)	Virement (i.t.o. Council approved by-law)	Final Budget	Actual Outcome	Actual Outcome as % of Final Budget
	R	R	R	R	R	R	2019 R	%
CASH FLOW FROM OPERATING ACTIVITIES								
Receipts								
Taxation	10 945 936	(900 000)	10 045 936	-	-	10 045 936	9 124 534	-9,17%
Service Charges	24 131 270	3 900 080	28 031 350	-	-	28 031 350	20 623 670	-26,43%
Other Revenue	4 668 286	(1 246 920)	3 421 366	-	-	3 421 366	3 226 389	-5,70%
Government - Operating	19 071 000	1 375 000	20 446 000	-	-	20 446 000	17 190 703	-15,92%
Government - Capital	26 587 000	(14 858 000)	11 729 000	-	-	11 729 000	10 000 000	-14,74%
Interest	2 127 845	(1 672 424)	455 421	-	-	455 421	271 383	-40,41%
Dividends	-	-	-	-	-	-	-	-
Payments								
Suppliers and Employees	(55 844 856)	(1 491 149)	(57 336 005)	-	-	(57 336 005)	(54 322 462)	-5,26%
Finance costs	-	-	-	-	-	-	(513 944)	-100,00%
Transfers and Grants	-	-	-	-	-	-	-	-
Net Cash from/(used) Operating Activities	49.2.7	31 686 481	(14 893 413)	16 793 068	-	16 793 068	5 600 273	-66,65%
CASH FLOW FROM INVESTING ACTIVITIES								
Receipts								
Proceeds on disposal of PPE	-	-	-	-	-	-	-	-
Decrease/(Increase) in Non-Current Debtors	162 079	-	162 079	-	-	162 079	-	-100,00%
Decrease/(Increase) in Other Non-Current Receivables	-	-	-	-	-	-	-	-
Decrease/(Increase) in Non-Current Investments	-	-	-	-	-	-	-	-
Payments								
Capital Assets	(26 661 700)	14 686 012	(11 975 688)	-	-	(11 975 688)	(7 286 426)	-39,16%
Net Cash from/(used) Investing Activities	49.2.8	(26 499 621)	14 686 012	(11 813 609)	-	(11 813 609)	(7 286 426)	-38,32%
CASH FLOW FROM FINANCING ACTIVITIES								
Receipts								
Short Term Loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase/(Decrease) in Consumer Deposits	(65 428)	473 725	408 297	-	-	408 297	145 067	-64,47%
Payments								
Repayment of Borrowing	(702 803)	-	(702 803)	-	-	(702 803)	(1 647 270)	134,39%
Net Cash from/(used) Financing Activities	49.2.9	(768 231)	473 725	(294 506)	-	(294 506)	(1 502 204)	410,08%
NET INCREASE/(DECREASE) IN CASH HELD		4 418 629	266 324	4 684 953	-	4 684 953	(3 188 356)	-168,06%
Cash and Cash Equivalents at the year begin:		244 957	(1)	244 956	-	244 956	3 319 949	1255,32%
Cash and Cash Equivalents at the year end:		4 663 586	266 323	4 929 909	-	4 929 909	131 593	-97,33%

INSERT ACCOUNTING POLICY

See word document

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2. PROPERTY, PLANT AND EQUIPMENT

2.1 30 JUNE 2019

Reconciliation of Carrying Value		Buildings R	Land R	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2018		7 085 564	15 940 849	153 468 200	5 854 948	2 143 753	1 275 106	185 768 421
Cost		17 962 063	16 101 549	216 170 956	12 490 975	6 267 049	5 611 246	274 603 839
Original Cost		17 962 063	16 101 549	216 170 956	12 490 975	6 267 049	5 611 246	274 603 839
Accumulated Depreciation and Impairment Losses		(10 876 499)	(160 700)	(62 702 756)	(6 636 027)	(4 123 296)	(4 336 140)	(88 835 418)
Original Cost		(10 876 499)	(160 700)	(62 702 756)	(6 636 027)	(4 123 296)	(4 336 140)	(88 835 418)
Acquisitions		-	-	6 705 546	-	-	580 880	7 286 426
Depreciation		-	-	(7 711 169)	(529 731)	(622 211)	(1 064 706)	(9 927 818)
Normal Depreciation		-	-	(7 711 169)	(529 731)	(622 211)	(1 064 706)	(9 927 818)
Carrying value of disposals / write-offs		-	-	(636 521)	-	(1 002 363)	-	(1 638 883)
Cost		-	-	(422 630)	-	(2 400 055)	-	(2 822 685)
Accumulated Depreciation		-	-	(213 891)	-	1 397 692	-	1 183 801
Carrying value at 30 June 2019		7 085 564	15 940 849	151 826 057	5 325 217	519 179	791 279	181 488 145
Cost		17 962 063	16 101 549	222 453 872	12 490 975	3 866 994	6 192 125	279 067 580
Original Cost		17 962 063	16 101 549	222 453 872	12 490 975	3 866 994	6 192 125	279 067 580
Accumulated Depreciation and Impairment Losses		(10 876 499)	(160 700)	(70 627 815)	(7 165 759)	(3 347 816)	(5 400 846)	(97 579 435)
Original Cost		(10 876 499)	(160 700)	(70 627 815)	(7 165 759)	(3 347 816)	(5 400 846)	(97 579 435)

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2.2 30 JUNE 2018

Reconciliation of Carrying Value	Buildings R	Land	Infrastructure R	Community R	Lease Assets R	Other R	Total R
Carrying value at 1 July 2017	7 811 969	15 940 849	123 576 178	6 428 577	3 419 066	1 537 216	158 713 856
Cost	17 962 063	16 101 549	178 793 513	12 490 975	6 267 049	5 461 561	237 076 711
Original Cost	17 962 063	16 101 549	178 793 513	12 490 975	6 267 049	5 461 561	237 076 711
Accumulated Depreciation and Impairment Losses	(10 150 094)	(160 700)	(55 217 335)	(6 062 398)	(2 847 983)	(3 924 345)	(78 362 855)
Original Cost	(10 150 094)	(160 700)	(55 217 335)	(6 062 398)	(2 847 983)	(3 924 345)	(78 362 855)
Acquisitions	-	-	1 400 791	-	-	149 684	1 550 476
Previously stated	-	-	1 400 791	-	-	149 684	1 550 476
Capital under Construction	-	-	25 110 354	-	-	-	25 110 354
Current Year	-	-	26 753 021	-	-	-	26 753 021
Less: Prior Year	-	-	(1 642 667)	-	-	-	(1 642 667)
Change in Provision for Rehabilitation Cost - IGRAP 2	-	-	11 276 873	-	-	-	11 276 873
Carrying value of disposals / write-offs	-	-	(197 360)	-	-	-	(197 360)
Cost	-	-	(410 575)	-	-	-	(410 575)
Accumulated Depreciation	-	-	213 215	-	-	-	213 215
Depreciation	(726 405)	-	(7 698 637)	(573 629)	(1 275 314)	(411 795)	(10 685 778)
Normal Depreciation	(726 405)	-	(7 698 637)	(573 629)	(1 275 314)	(411 795)	(10 685 778)
Carrying value at 30 June 2018	7 085 564	15 940 849	153 468 200	5 854 948	2 143 753	1 275 106	185 768 421
Cost	17 962 063	16 101 549	216 170 956	12 490 975	6 267 049	5 611 246	274 603 839
Original Cost	17 962 063	16 101 549	216 170 956	12 490 975	6 267 049	5 611 246	274 603 839
Accumulated Depreciation and Impairment Losses	(10 876 499)	(160 700)	(62 702 756)	(6 636 027)	(4 123 296)	(4 336 140)	(88 835 418)
Original Cost	(10 876 499)	(160 700)	(62 702 756)	(6 636 027)	(4 123 296)	(4 336 140)	(88 835 418)

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

2019
R

2018
R

2. PROPERTY, PLANT AND EQUIPMENT

[See previous sheet](#)

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NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

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RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
2.3 Property, Plant and Equipment which is in the process of being constructed or developed:		
Infrastructure Assets	15 191 903	31 222 918
Roads	3 775 614	4 058 146
Electricity	-	6 001 279
Water Supply	4 460 073	16 287 711
Sanitation	6 956 216	4 370 782
Solid Waste	-	505 000
Community Assets	-	-
Other Assets	-	-
Total Property, Plant and Equipment under construction	15 191 903	31 222 918
The movements for the year can be reconciled as follows:		
Balance at beginning of year	31 222 918	6 536 664
Correction of Error - Note 44.1		(424 100)
Restated Balance	31 222 918	6 112 563
Expenditure during the year	7 740 302	26 753 021
Assets unbundled during the year	(23 771 316)	(1 642 667)
Impairment recognised during the year	-	-
Balance at end of year	15 191 903	31 222 918
2.4 Property, Plant and Equipment where construction or development has been halted:		
Infrastructure Assets	3 775 614	5 543 892
Roads	3 775 614	282 532
Electricity	-	151 960
Sanitation	-	4 604 400
Solid Waste	-	505 000
Community Assets	-	38 522
Total	3 775 614	5 582 414
The municipality awaits additional funding to complete the projects.		
2.5 Expenditure incurred to repair and maintain Property, Plant and Equipment:		
Employee related costs	-	-
Other materials	-	-
Contracted Services	852 393	1 907 171
Other Expenditure	-	-
Total Repairs and Maintenance	852 393	1 907 171
2.6 Assets pledged as security:		
Leased Property, Plant and Equipment of R519 178 (2018: R2 143 753) is secured for leases as set out in Note 9.		
2.7 Contractual commitments for acquisition of Property, Plant and Equipment:		
Approved and contracted for:	-	6 290 813
Infrastructure	-	6 290 813
Community	-	-
Other	-	-
Total	-	6 290 813
This expenditure will be financed from:		
External Loans	-	-
Capital Replacement Reserve	-	-
Government Grants	-	6 290 813
Own Resources	-	-
District Council Grants	-	-
Total	-	6 290 813

	2019 R	2018 R
3. INVESTMENT PROPERTY		
3.1 Net Carrying amount at 1 July	37 751 089	37 841 867
Cost	38 623 962	38 623 962
Accumulated Depreciation	(868 874)	(778 097)
Accumulated Impairment Loss	(3 999)	(3 999)
Depreciation for the year	(83 814)	(90 778)
Impairment loss	(4 612 933)	-
Net Carrying amount at 30 June	33 054 342	37 751 089
Cost	38 623 962	38 623 962
Accumulated Depreciation	(951 658)	(868 874)
Accumulated Impairment Loss	(4 617 962)	(3 999)
3.2 Revenue from Investment Property		
Revenue derived from the rental of Investment Property	223 803	224 869
3.3 Operating Expenditure Incurred on properties:		
There are no Investment Property which is in the process of being constructed or developed.		
There are no Investment Property that are taking a significantly longer period of time to complete than expected.		
There are no Investment Property where construction or development has been halted.		
There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.		
There are no contractual obligation to purchase, construct or develop investment property or for repairs, maintenance or enhancements.		
4. INTANGIBLE ASSETS		
4.1 Net Carrying amount at 1 July	164 719	256 520
Cost	769 227	769 227
Accumulated Amortisation	(604 508)	(512 707)
Additions	-	-
Amortisation	(80 331)	(91 801)
Disposals	-	-
Amortisation written back on disposal	-	-
Net Carrying amount at 30 June	84 388	164 719
Cost	769 227	769 227
Accumulated Amortisation	(684 839)	(604 508)
Accumulated Impairment Loss	-	-
There are no Intangible Assets which is in the process of being constructed or developed.		
There are no Intangible Assets that is taking a significantly longer period of time to complete than expected.		
There are no Intangible Assets where construction or development has been halted.		
No intangible asset were assed having an indefinite useful life.		
There are no internally generated intangible assets at reporting date.		
There are no intangible assets whose title is restricted.		
There age no intangible assets pledged as security for liabilities.		
There are no contractual commitments for the acquisition of intangible assets.		

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
5. INVENTORY		
Consumables	336 009	-
Housing Stock	1	1
Materials and Supplies	210 830	546 839
Water	6 754	11 640
Total Inventory	553 594	558 480

The municipality recognised only purification costs in respect of non-purchased purified water inventory.

5.1 Inventories recognise as an expense during the year:		
Materials and Supplies	391 350	523 058
Water	776 784	1 083 454
Total	1 168 134	1 606 512

5.2 Inventories written down due to losses as identified during the annual stores counts:		
Consumables	-	-
Materials and Supplies	-	12 815
Total	-	12 815

No inventories were pledged as security for liabilities.

6. RECEIVABLES FROM EXCHANGE TRANSACTIONS		
Electricity	4 554 058	4 208 089
Water	22 601 891	19 490 268
Property Rentals	2 043 622	2 372 445
Waste Management	13 211 263	11 509 613
Waste Water Management	11 989 465	10 345 980
Abeyance	2 846 696	2 644 276
Other Arrears	3 780 079	3 187 078
Correction of Error - Note 44.1	-	(22 306)
Total: Receivables from exchange transactions (before provision)	61 027 074	53 735 444
Less: Provision for Debt Impairment	(58 008 317)	(50 358 578)
Total: Receivables from exchange transactions (after provision)	3 018 757	3 376 866

Consumer debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of consumer debtors are not performed in terms of GRAP 104 on initial recognition.

The fair value of receivables approximate their carrying value.

(Electricity): Ageing

Current (0 - 30 days)	536 952	666 520
31 - 60 Days	81 515	296 203
61 - 90 Days	62 194	86 170
+ 90 Days	3 873 398	3 159 195
Total	4 554 058	4 208 089

(Water): Ageing

Current (0 - 30 days)	537 426	486 551
31 - 60 Days	249 835	301 407
61 - 90 Days	230 539	278 832
+ 90 Days	21 584 092	18 423 478
Total	22 601 891	19 490 268

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
<u>(Property Rentals): Ageing</u>		
Current (0 - 30 days)	18 397	(36 888)
31 - 60 Days	17 417	59 118
61 - 90 Days	15 485	22 369
+ 90 Days	1 992 324	2 327 846
Total	2 043 622	2 372 445
<u>(Waste Management): Ageing</u>		
Current (0 - 30 days)	401 862	215 881
31 - 60 Days	170 624	180 125
61 - 90 Days	161 615	156 049
+ 90 Days	12 477 162	10 957 559
Total	13 211 263	11 509 613
<u>(Waste Water Management): Ageing</u>		
Current (0 - 30 days)	415 106	226 719
31 - 60 Days	162 884	172 021
61 - 90 Days	153 607	147 176
+ 90 Days	11 257 868	9 800 064
Total	11 989 465	10 345 980
<u>(Abeyance): Ageing</u>		
Current (0 - 30 days)	799 696	587 826
31 - 60 Days	-	-
61 - 90 Days	-	-
+ 90 Days	2 047 000	2 056 450
Total	2 846 696	2 644 276
<u>(Other): Ageing</u>		
Current (0 - 30 days)	(112 817)	26 168
31 - 60 Days	48 997	42 037
61 - 90 Days	31 814	28 631
+ 90 Days	3 812 084	3 090 242
Total	3 780 079	3 187 078
<u>(Total): Ageing</u>		
Current (0 - 30 days)	2 596 620	2 172 777
31 - 60 Days	731 271	1 050 911
61 - 90 Days	655 253	719 227
+ 90 Days	57 043 929	49 792 530
Total	61 027 074	53 735 445

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2019					
Current (0 - 30 days)	823 800	1 392 954	276 678	103 188	2 596 620
31 - 60 Days	27 237	643 710	39 266	21 058	731 271
61 - 90 Days	27 166	578 555	33 292	16 239	655 253
+ 90 Days	2 783 132	50 245 078	2 408 432	1 607 287	57 043 929
Sub-total	3 661 335	52 860 297	2 757 668	1 747 773	61 027 074
<u>Less:</u> Provision for Debt Impairment					(58 008 317)
Total debtors by customer classification					3 018 757

Summary of Debtors by Customer Classification

	<u>Other</u>	<u>Residential</u>	<u>Industrial/ Commercial</u>	<u>National and Provincial Government</u>	<u>Total</u>
30 June 2018					
Current (0 - 30 days)	998 752	795 535	316 011	62 479	2 172 777
31 - 60 Days	29 013	718 836	272 873	30 189	1 050 911
61 - 90 Days	26 898	625 046	53 393	13 890	719 227
+ 90 Days	2 384 723	44 126 465	1 992 236	1 289 106	49 792 530
Sub-total	3 439 386	46 265 882	2 634 513	1 395 664	53 735 445
<u>Less:</u> Provision for Debt Impairment					(50 358 578)
Total debtors by customer classification					3 376 867

	2019 R	2018 R
<u>Reconciliation of Provision for Debt Impairment</u>		
Balance at beginning of year	50 358 578	47 331 738
Contribution to provision	6 651 948	2 632 035
VAT on provision	997 792	394 805
Reversal of provision	-	-
Balance at end of year	58 008 317	50 358 578

The total amount of this provision is R58 008 317 and consist of:

Electricity	3 864 975	3 254 022
Water	21 781 863	18 557 357
Refuse	12 745 224	11 051 377
Sewerage	11 500 947	9 869 437
Commonage and Old Service	8 115 309	7 626 384
Total Provision for Debt Impairment on Receivables from exchange transactions	58 008 317	50 358 578

Ageing of amounts past due but not impaired:

1 month past due	731 271	1 050 911
2+ months past due	(309 135)	153 179
	422 136	1 204 090

7. RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS

Taxes - Rates	14 286 788	12 010 458
Payments in Advance	500 000	500 000
Kai-Kai Development	25 294 065	25 294 065
Other Receivables	580	580
Correction of Error - Note 44.2	-	(178 275)
	40 081 433	37 626 828
<u>Less:</u> Provision for Debt Impairment	(38 584 976)	(36 269 225)
Total Receivables from non-exchange transactions	1 496 457	1 357 602

The fair value of other receivables approximate their carrying value.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Rates debtors are payable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of rates debtors are not performed in terms of GRAP 104 on initial recognition.

	2019 R	2018 R
(Rates): Ageing		
Current (0 - 30 days)	123 515	48 601
31 - 60 Days	79 768	98 409
61 - 90 Days	65 845	76 399
+ 90 Days	14 017 660	11 608 775
Total	14 286 788	11 832 183

Summary of Debtors (Rates) by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2019					
Current (0 - 30 days)	(3 181)	96 733	29 618	346	123 515
31 - 60 Days	-	68 170	11 598	-	79 768
61 - 90 Days	-	55 272	10 573	-	65 845
+ 90 Days	5 848 916	7 618 801	496 421	53 522	14 017 660
Sub-total	5 845 735	7 838 975	548 210	53 868	14 286 788
Less: Provision for Debt Impairment					(38 584 976)
Total debtors by customer classification					(24 298 188)

Summary of Debtors (Rates) by Customer Classification

	Other	Residential	Industrial/ Commercial	National and Provincial Government	Total
30 June 2018					
Current (0 - 30 days)	(9 412)	58 108	168	(264)	48 601
31 - 60 Days	-	87 710	10 698	-	98 409
61 - 90 Days	-	65 711	10 688	-	76 399
+ 90 Days	4 259 568	6 952 897	326 675	69 635	11 608 775
Sub-total	4 250 156	7 164 427	348 229	69 371	11 832 183
Less: Provision for Debt Impairment					(10 975 162)
Total debtors by customer classification					857 021

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	36 269 225	34 645 790
Contribution to provision	2 315 750	1 623 435
Reversal of provision	-	-
Balance at end of year	38 584 976	36 269 225

The total amount of this provision is R x xxx xxx and consist of:

Taxes	13 290 912	10 975 162
Kai-Kai Development	25 294 064	25 294 064
Total Provision for Debt Impairment on Trade Receivables from non-exchange transactions	38 584 976	36 269 225

Ageing of amounts past due but not impaired:

1 month past due	79 768	98 409
2+ months past due	792 593	710 012
	872 361	808 420

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
8. BANK ACCOUNTS		
8.1 Cash and Cash Equivalents		
Current Accounts	57 772	289 405
Call Deposits and Investments	73 463	3 030 163
Cash On-hand	380	380
Total Cash and Cash Equivalents - Assets	131 615	3 319 949
8.2 Liabilities		
Current Accounts	-	-
Total Cash and Cash Equivalents - Liabilities	-	-

Cash and cash equivalents comprise cash held and short term deposits. The carrying amount of these assets approximates their fair value.

Call Investments Deposits to an amount of R7 031 are held to fund the Unspent Conditional Grants (2018: R2 300 679).

The municipality has the following bank accounts:

Current Accounts

First National Bank - Account Number 534 7183 1653 (Primary Bank Account):	57 772	289 405
	57 772	289 405

Call Deposits and Investments

First National Bank - Account Number 620 6266 9521 (Equitable Share Account):	2 306	1 500
First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):	31 858	1 000
First National Bank - Account Number 620 7204 0555 (FMG Account):	1 000	1 000
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):	2 861	2 846
First National Bank - Account Number 620 9751 7571 (CRR Account):	865	63 608
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):	10 105	10 105
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):	7 530	7 530
First National Bank - Account Number 621 3757 8433 (Projects Account):	10 907	1 000
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):	1 601	1
First National Bank - Account Number 622 3714 1099 (Library Account):	1 001	2 160
First National Bank - Account Number 622 7711 8313 (MIG Account):	2 607	2 938 414
First National Bank - Account Number 624 2665 8508 (EPWP):	821	1 000
	73 463	3 030 163

Details of current accounts is as follow:

First National Bank - Account Number 534 7183 1653 (Primary Bank Account):		
Cash book balance at beginning of year	289 405	537 432
Cash book balance at end of year	57 772	289 405
 Bank statement balance at beginning of year	 261 597	 456 116
Bank statement balance at end of year	266 575	261 597
 First National Bank - Account Number 620 6266 9521 (Equitable Share Account):		
Cash book balance at beginning of year	1 500	1 000
Cash book balance at end of year	2 306	1 500
 Bank statement balance at beginning of year	 1 500	 1 000
Bank statement balance at end of year	2 328	1 500
 First National Bank - Account Number 620 6973 7173 (Leave Gratuity Account):		
Cash book balance at beginning of year	1 000	40 065
Cash book balance at end of year	31 858	1 000
 Bank statement balance at beginning of year	 1 000	 40 065
Bank statement balance at end of year	31 858	1 000
 First National Bank - Account Number 620 7204 0555 (FMG Account):		
Cash book balance at beginning of year	1 000	1 000
Cash book balance at end of year	1 000	1 000

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Bank statement balance at beginning of year	1 000	1 000
Bank statement balance at end of year	1 000	1 000
	2019	2018
	R	R
First National Bank - Account Number 620 9751 5880 (Consumer Deposits Account):		
Cash book balance at beginning of year	2 846	2 826
Cash book balance at end of year	2 861	2 846
Bank statement balance at beginning of year	2 846	2 826
Bank statement balance at end of year	2 864	2 846
First National Bank - Account Number 620 9751 7571 (CRR Account):		
Cash book balance at beginning of year	63 608	739
Cash book balance at end of year	865	63 608
Bank statement balance at beginning of year	63 608	739
Bank statement balance at end of year	1 000	63 608
First National Bank - Account Number 621 1760 8581 (Dev. Housing Account):		
Cash book balance at beginning of year	10 105	10 032
Cash book balance at end of year	10 105	10 105
Bank statement balance at beginning of year	10 105	10 032
Bank statement balance at end of year	10 170	10 105
First National Bank - Account Number 743 3049 9861 (EFT/DBSA Account):		
Cash book balance at beginning of year	7 530	7 530
Cash book balance at end of year	7 530	7 530
Bank statement balance at beginning of year	7 530	7 530
Bank statement balance at end of year	7 530	7 530
First National Bank - Account Number 621 3757 8433 (Projects Account):		
Cash book balance at beginning of year	1 000	8 009
Cash book balance at end of year	10 907	1 000
Bank statement balance at beginning of year	1 000	8 009
Bank statement balance at end of year	10 914	1 000
First National Bank - Account Number 621 3757 7782 (Grants and Subsidies Account):		
Cash book balance at beginning of year	1	(0)
Cash book balance at end of year	1 601	1
Bank statement balance at beginning of year	-	-
Bank statement balance at end of year	1 601	-
First National Bank - Account Number 622 3714 1099 (Library Account):		
Cash book balance at beginning of year	2 160	1 155
Cash book balance at end of year	1 001	2 160
Bank statement balance at beginning of year	2 160	1 155
Bank statement balance at end of year	1 619	2 160
First National Bank - Account Number 622 7711 8313 (MIG Account):		
Cash book balance at beginning of year	2 938 414	1 000
Cash book balance at end of year	2 607	2 938 414
Bank statement balance at beginning of year	2 938 414	1 000
Bank statement balance at end of year	2 607	2 938 414
First National Bank - Account Number 624 2665 8508 (EPWP):		
Cash book balance at beginning of year	1 000	1 000
Cash book balance at end of year	821	1 000
Bank statement balance at beginning of year	1 000	1 000
Bank statement balance at end of year	1 000	1 000

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R			
9. LONG-TERM BORROWINGS					
Capitalised Lease Liability - At amortised cost	103 320	2 102 237			
Correction of Error - Note 44.3	-	(351 647)			
	<u>103 320</u>	<u>1 750 590</u>			
<u>Less:</u> Current Portion transferred to Current Liabilities	(103 320)	(1 554 830)			
Capitalised Lease Liability - At amortised cost	<u>(103 320)</u>	<u>(1 554 830)</u>			
	0	195 760			
	<u>0</u>	<u>195 760</u>			
Total Long-term Borrowings					
	<u>0</u>	<u>195 760</u>			
9.1 The obligations under finance leases are scheduled below:		Minimum payments			
Amounts payable under finance leases:					
Payable within one year	103 320	1 699 878			
Payable within two to five years	-	585 267			
Payable after five years	-	-			
	<u>103 320</u>	<u>2 285 145</u>			
<u>Less:</u> Future finance obligations	-	(182 908)			
Present value of finance lease obligations	<u>103 320</u>	<u>2 102 237</u>			
The capitalised lease liability consist out of the following contracts:					
Supplier	Description of leased item	Effective Interest rate	Annual Escalation	Lease Term	Maturity Date
Bidvest	Vehicles	8% - 14%	0%	3 Years	01/07/2019
Refer to Appendix A for descriptions, maturity dates and effective interest rates of structured loans and finance.					
Finance Leases are secured by property, plant and equipment - Note 2.					
10. NON-CURRENT PROVISIONS					
Provision for Rehabilitation of Landfill-sites	41 071 580	27 396 696			
Correction of Error - Note 44.4	-	9 646 307			
Total Non-current Provisions	<u>41 071 580</u>	<u>37 043 003</u>			
10.1 <u>Landfill Sites</u>					
Balance 1 July	39 037 715	16 779 072			
Contribution for the year	2 033 865	1 335 463			
Change in Provision for Rehabilitation Cost	-	11 276 873			
Correction of Error - Note 44.4	-	9 646 307			
Total provision 30 June	<u>41 071 580</u>	<u>39 037 715</u>			
<u>Less:</u> Transfer of Current Portion to Current Provisions	-	(1 994 712)			
Balance 30 June	<u>41 071 580</u>	<u>37 043 003</u>			

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs. The assumptions used are as follows

	Port Nolloth	Eksteensfontein	Lekkersing	Kuboes	Sanddrift
Rehabilitation Area (m²)	50 178	10 156	1 840	440	4 515
Preliminary and general	2 337 999	591 530	215 273	52 108	324 525
Site Clearance and Preparation	154 548	31 280	5 667	1 355	13 906
Storm Water Control Measures	2 477 671	820 185	378 288	167 011	431 851
Capping	12 613 561	2 562 418	535 403	114 238	1 140 738
Gas Management	-	-	-	-	-
Leachate Management	804 070	319 621	145 537	79 264	162 339
Fencing	650 140	491 713	472 770	10 333	569 204
Environmental Authorisation (Closure License)	438 691	438 691	438 691	438 691	438 691
Technical ROD	120 000	120 000	120 000	120 000	120 000
Install Groundwater Monitoring Boreholes with lockable caps (includes drilling contractor site establishment)	214 475	248 302	414 178	303 896	270 292
Landscape Architects	123 111	123 111	123 111	123 111	123 111
Water use licence	-	-	-	-	-
Topographical Survey	8 346	5 830	5 830	5 830	5 830
Contingencies	1 903 799	481 675	175 294	42 430	264 256
Engineering: Professional Fees	1 570 634	397 382	144 617	35 005	218 012
Site Supervision (Engineer's Representative)	590 650	219 259	172 540	174 634	213 407
Site Supervision (Environmental Control Officer & OHS Agent)	312 469	145 877	132 180	134 700	176 389

The municipality has an obligation to rehabilitate landfill sites at the end of the expected useful life of the asset. The estimate cost, based on a current inflation rate of 5,21%, and date of decommission of the sites are as follows:

Location	Estimated decommission date	2019 R	2018 R
Port Nolloth	2033	49 518 192	34 151 328
Eksteensfontein	2033	14 246 309	5 092 464
Lekkersing	2033	7 084 355	2 369 010
Kuboes	2033	3 670 284	1 994 712
Sanddrift	2033	9 106 547	7 132 078
		83 625 686	50 739 593

11. NON-CURRENT EMPLOYEE BENEFITS

Provision for Post Retirement Health Care Benefits	1 904 370	1 737 026
Provision for Long Service Awards	1 223 828	1 148 810
Total Non-current Employee Benefits	3 128 198	2 885 836

Post Retirement Health Care Benefits

Balance 1 July	1 928 449	1 964 289
Contribution for the year	164 581	164 714
Expenditure for the year	(191 890)	(183 390)
Actuarial Loss/(Gain)	208 187	(17 164)
Total provision 30 June	2 109 327	1 928 449
Less: Transfer of Current Portion to Current Provisions - Note 14	(204 957)	(191 423)
Balance 30 June	1 904 370	1 737 026

Long Service Awards

Balance 1 July	1 225 569	1 061 146
Contribution for the year	232 817	203 854
Expenditure for the year	(79 577)	(65 413)
Actuarial Loss/(Gain)	86 755	25 982
Total provision 30 June	1 465 564	1 225 569
Less: Transfer of Current Portion to Current Provisions - Note 14	(241 736)	(76 759)
Balance 30 June	1 223 828	1 148 810

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
11.1 Provision for Post Retirement Health Care Benefits		
The Post Retirement Health Care Benefit Plan is a defined benefit plan, of which the members are made up as follows:		
In-service (employee) members	-	-
In-service (employee) non-members	-	-
Continuation members (e.g. Retirees, widows, orphans)	4	4
Total Members	4	4
The liability in respect of past service has been estimated to be as follows:		
In-service members	-	-
In-service non-members	-	-
Continuation members	2 109 328	1 928 450
Total Liability	2 109 328	1 928 450
The liability in respect of periods commencing prior to the comparative year has been estimated as follows:		
	2017 R	2016 R
In-service members	-	-
In-service non-members	-	-
Continuation members	1 964 289	1 770 943
Total Liability	1 964 289	1 770 943
The municipality makes monthly contributions for health care arrangements to the following medical aid schemes:		
LA Health		
The Current-service Cost for the ensuing year is estimated to be R169955, whereas the Interest Cost for the next year is estimated to be R0.		
Key actuarial assumptions used:	%	%
i) Rate of interest		
Discount rate	8,46%	8,97%
Health Care Cost Inflation Rate	6,14%	7,02%
Net Effective Discount Rate	2,19%	1,82%
ii) Mortality rates		
The PA 90 ultimate table, rated down by 1 year of age was used by the actuaries.		
iii) Normal retirement age		
The normal retirement age for employees of the municipality is 65 years (males) and 60 years (females).		
iv) Expected rate of salary increases		
2019/2020 - CPI + 1,5%		
2020/2021 - CPI + 1,25%		
The three-year Salary and Wage Collective Agreement ends on 30 June 2018.		
The amounts recognised in the Statement of Financial Position are as follows:		
Present value of fund obligations	2 109 327	1 928 449
Fair value of plan assets	-	-
	2 109 327	1 928 449
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present Value of unfunded obligations	-	-
Net liability/(asset)	2 109 327	1 928 449

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
Reconciliation of present value of fund obligation:		
Present value of fund obligation at the beginning of the year	1 928 449	1 964 289
Total expenses	(27 309)	(18 676)
Current service cost	-	-
Interest Cost	164 581	164 714
Benefits Paid	(191 890)	(183 390)
Actuarial (gains)/losses	208 187	(17 164)
Present value of fund obligation at the end of the year	2 109 327	1 928 449
Reconciliation of fair value of plan assets:		
Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contributions: Employer	-	-
Contributions: Employee	-	-
Past Service Costs	-	-
Actuarial (gains)/losses	-	-
Benefits Paid	-	-
Fair value of plan assets at the end of the year	-	-

Sensitivity Analysis on the Accrued Liability on 30 June 2019

Assumption	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)
Central Assumptions	-	2,109	2,109

The effect of movements in the assumptions are as follows:

Assumption	Change	In-service members liability (Rm)	Continuation members liability (Rm)	Total liability (Rm)	% change
Health care inflation rate	1%	-	2,289	2,289	9%
Health care inflation rate	-1%	-	1,951	1,951	-8%
Discount rate	1%	-	1,956	1,956	-7%
Discount rate	-1%	-	2,286	2,286	8%
Post-employment mortality	-1 year	-	2,199	2,199	4%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020

Assumption	Current Service Cost (R)	Interest Cost (R)	Total (R)
Central Assumptions	-	170 000	170 000

The effect of movements in the assumptions are as follows:

Assumption	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Health care inflation rate	1%	-	185 100	185 100	9%
Health care inflation rate	-1%	-	156 600	156 600	-8%
Discount rate	1%	-	175 500	175 500	3%
Discount rate	-1%	-	163 100	163 100	-4%
Post-employment mortality	-1 year	-	177 600	177 600	4%

	2019 Rm	2018 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0,083	(0,017)
Assets: Gain / (loss)	-	-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2017 Rm	2016 Rm	2015 Rm
Liabilities: (Gain) / loss	0,387	0,057	0,834
Assets: Gain / (loss)	-	-	-

2019
R

2018
R

11.2 Provision for Long Service Bonuses

The Long Service Bonus plans are defined benefit plans. As at year end, 103 employees were eligible for Long Service Bonuses.

The Current-service Cost for the ensuing year is estimated to be R149 468 whereas the Interest Cost for the next year is estimated to be R108 841.

Key actuarial assumptions used:

%

%

i) Rate of interest

Discount rate	8,08%	8,46%
General Salary Inflation (long-term)	5,53%	6,09%
Net Effective Discount Rate applied to salary-related Long Service Bonuses	2,42%	2,23%

The amounts recognised in the Statement of Financial Position are as follows:

Present value of fund obligations	1 465 564	1 225 569
Fair value of plan assets	-	-
	<u>1 465 564</u>	<u>1 225 569</u>
Unrecognised past service cost	-	-
Unrecognised actuarial gains/(losses)	-	-
Present value of unfunded obligations	-	-
Net liability/(asset)	<u>1 465 564</u>	<u>1 225 569</u>

Reconciliation of present value of fund obligation:

Present value of fund obligation at the beginning of the year	1 225 569	1 061 146
Total expenses	153 240	138 441
Current service cost	132 315	117 624
Vested past service cost	-	-
Interest Cost	100 502	86 230
Benefits Paid	(79 577)	(65 413)
Actuarial (gains)/losses	86 755	25 982
Present value of fund obligation at the end of the year	<u>1 465 564</u>	<u>1 225 569</u>

Reconciliation of fair value of plan assets:

Fair value of plan assets at the beginning of the year	-	-
Expected return on plan assets	-	-
Contribution: Employer	-	-
Contribution: Employee	-	-
Past service costs	-	-
Actuarial (gains)/losses	-	-
Benefits paid	-	-
Fair value of plan assets at the end of the year	<u>-</u>	<u>-</u>

Sensitivity Analysis on the Accrued Liability on 30 June 2019

Assumption	Change	Liability (Rm)	% change
Central assumptions		1,466	
General earnings inflation rate	1%	1,552	6%
General earnings inflation rate	-1%	1,387	-5%
Discount rate	1%	1,385	-6%
Discount rate	-1%	1,556	6%
Average retirement age	-2 yrs	1,320	-10%
Average retirement age	2 yrs	1,612	10%
Withdrawal rates	-50%	1,657	13%

Sensitivity Analysis on Current-Service and Interest Cost for the year ending 30 June 2020

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Current Service Cost (R)	Interest Cost (R)	Total (R)
Assumption			
Central Assumptions	149 500	108 800	258 300

The effect of movements in the assumptions are as follows:

	Change	Current Service Cost (R)	Interest Cost (R)	Total (R)	% change
Assumption					
General earnings inflation rate	1%	161 600	115 800	277 400	7%
General earnings inflation rate	-1%	138 600	102 500	241 100	-7%
Discount rate	1%	139 700	115 000	254 700	-1%
Discount rate	-1%	160 600	101 800	262 400	2%
Average retirement age	-2 year	137 000	97 100	234 100	-9%
Average retirement age	2 year	163 600	120 600	284 200	10%
Withdrawal rates	-50%	180 600	124 300	304 900	18%

	2019 Rm	2018 Rm
Experience adjustments were calculated as follows:		
Liabilities: (Gain) / loss	0,036	0,040
Assets: Gain / (loss)		-

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2017 Rm	2016 Rm	2015 Rm
Liabilities: (Gain) / loss	(0,017)	0,047	(0,079)
Assets: Gain / (loss)		-	-

11.3 Retirement funds

The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.

As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.

Therefore, although the Cape Joint Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.31.

CAPE JOINT RETIREMENT FUND

The contribution rate paid by the members (9,0%) and Council (18,0%). The last actuarial valuation performed for the year ended 30 June 2017 revealed that the fund is in a sound financial position with a funding level of 100,3% (30 June 2016 - 100,5%).

Contributions paid recognised in the Statement of Financial Performance	1 163 699	1 013 026
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DEFINED CONTRIBUTION FUNDS

Council contribute to the SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.

Contributions paid recognised in the Statement of Financial Performance:

SAMWU National Provident Fund	1 503 376	1 506 131
	1 503 376	1 506 131

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
12. CONSUMER DEPOSITS		
Electricity	985 879	953 079
Rental Properties	125 894	55 239
Posters	3 934	3 534
Refuse	438 020	396 808
Total Consumer Deposits	1 553 727	1 408 660
The fair value of consumer deposits approximate their carrying value. Interest is not paid on these amounts.		
13. PROVISIONS		
Current Portion of Rehabilitation of Landfill Sites - Note 10	-	1 994 712
Total Provisions	-	1 994 712
The movement in current provisions are reconciled as follows:		
13.1 Rehabilitation of Landfill Sites		
Balance at beginning of year	1 994 712	-
Transfer to/from non-current	(1 994 712)	1 994 712
Contribution to provision	-	-
Expenditure incurred	-	-
Balance at end of year	-	1 994 712
14. CURRENT EMPLOYEE BENEFITS		
Staff Bonuses	624 037	628 482
Staff Leave	1 645 353	1 643 011
Current Portion of Non-Current Provisions	446 693	268 182
Current Portion of Post Retirement Benefits - Note 11	204 957	191 423
Current Portion of Long-Service Provisions - Note 11	241 736	76 759
Total Provisions	2 716 082	2 539 674
The movement in current provisions are reconciled as follows:		
14.1 Staff Bonuses		
Balance at beginning of year	628 482	581 929
Contribution for the year	1 436 468	1 382 358
Expenditure incurred	(1 440 913)	(1 335 806)
Balance at end of year	624 037	628 482
Bonuses are being paid to all municipal staff, excluding section 57 employees. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.		
14.2 Staff Leave		
Balance at beginning of year	1 643 011	1 474 302
Contribution for the year	210 234	307 528
Expenditure incurred	(207 892)	(138 819)
Balance at end of year	1 645 353	1 643 011
Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.		
15. TRADE AND OTHER PAYABLES FROM EXCHANGE TRANSACTIONS		
Trade Payables	14 427 090	13 824 800
Advance Payments	804 833	874 078
Control, Clearing and Interface Accounts	331 393	43 369
Other Payables	292 444	202 231
Retentions	150 535	790 855
Correction of Error - Note 44.5	-	(625 630)
Total Trade Payables	16 006 295	15 109 702
Payables are being recognised net of any discounts.		
Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary.		

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

The carrying value of trade and other payables approximates its fair value.

All payables are unsecured.

Sundry deposits include Hall, Builders and Housing Deposits.

	2019 R	2018 R
16. UNSPENT TRANSFERS AND SUBSIDIES		
Unspent Transfers and Subsidies	4 045 313	2 300 679
National Government Grants	3 804 049	2 243 758
Provincial Government Grants	184 504	162
Other Sources	56 759	56 759
Total Unspent Transfers and Subsidies	4 045 313	2 300 679
See appendix "E" for reconciliation of grants from other spheres of government. The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received to the extent of revenue recognised. No grants were withheld.		
Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.		
17. TAXES		
17.1 VAT Payable	(392 348)	1 160 101
VAT Output in Suspense	(6 463 363)	(3 536 179)
<u>Less:</u> Contribution to Provision for Doubtful Debt Impairment	-	-
Total VAT Payable	(6 855 711)	(2 376 077)
17.2 VAT Receivable	2 549 798	0
VAT Input in Suspense	6 522 431	5 417 401
Total VAT Receivable	9 072 229	5 417 401
17.3 Net VAT (Payable)/Receivable	2 216 518	3 041 324
VAT is payable on the receipts basis. VAT is paid over to SARS only once payment is received from debtors.		
18. NET ASSET RESERVES		
RESERVES	455 798	455 798
Capital Replacement Reserve	739	739
Housing Development Fund	455 059	455 059
Total Net Asset Reserve and Liabilities	455 798	455 798
18.1 The Capital Replacement Reserve is used to finance future capital expenditure from own funds.		
18.2 The Housing Development Fund was established in terms of section 15 (5) and 16 of the Housing Act, Act 107 of 1997. The proceeds in this fund are utilised for housing development projects approved by the MEC. Any surplus/(deficit) on the Housing Department in the Statement of Financial Performance is transferred to the Housing Development Fund.		
19. PROPERTY RATES		
<u>Actual</u>		
Rateable Land and Buildings	9 728 420	9 888 886
Correction of Error - Note 44.2	-	(178 275)
Total Property Rates	9 728 420	9 710 611
<u>Valuations - 1 July 2018</u>		
Rateable Land and Buildings	1 016 384 267	1 016 384 267
Business and Commercial Property	102 251 300	102 251 300
Industrial Property	4 623 200	4 623 200
Mining Properties	62 816 000	62 816 000
Residential Properties	637 064 657	637 064 657
State-owned Properties	19 011 900	19 011 900
Agricultural Property	190 617 210	190 617 210
Total Assessment Rates	1 016 384 267	1 016 384 267

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Assessment Rates are levied on the value of land and improvements, which valuation is performed every 4 years. The last valuation came into effect on 1 July 2013. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.

Basic Rate

Residential	1.1105c/R	1.0546c/R
Commercial and Industrial	1.4740c/R	1.2272c/R
Agriculture	0.1712c/R	0.1626c/R

Rates are levied annually and monthly. Monthly rates are payable by the 7th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly instalments.

Rebates were granted on land with buildings used solely for dwellings purposes as follows:

Residential -	- The first R25 000 on the valuation is exempted.
Indigents -	- The first R75 000 on the valuation is exempted.
Pensioners -	- 33,3%
Government -	- 20%

Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

20. GOVERNMENT GRANTS AND SUBSIDIES

Government Grants and Subsidies - Operating

	2019 R	2018 R
Equitable Share	15 473 000	14 115 000
Expanded Public Works Programme Integrated Grant	1 000 000	1 000 000
Local Government Financial Management Grant	1 923 146	1 900 000
Libraries, Archives and Museums	743 658	1 112 000
Construction, Education and Training SETA	53 767	-
Other	-	284 940

Government Grants and Subsidies - Capital

	2019 R	2018 R
Integrated National Electrification Programme Grant	242 805	6 886 945
Municipal Infrastructure Grant	1 009 694	250 000
Water Services Infrastructure Grant	5 000 000	6 000 000
Municipal Disaster Grant	-	20 198 297

Total Government Grants and Subsidies

25 446 069	51 747 182
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Included in above are the following grants and subsidies received:

Unconditional

Equitable Share

15 473 000	14 115 000
15 473 000	14 115 000

Conditional

Local Government Financial Management Grant
Expanded Public Works Programme Integrated Grant
Libraries, Archives and Museums
Construction, Education and Training SETA
Integrated National Electrification Programme Grant
Municipal Infrastructure Grant
Municipal Disaster Grant
Water Services Infrastructure Grant

9 973 069	37 632 182
1 923 146	1 900 000
1 000 000	1 000 000
743 658	1 112 000
53 767	-
242 805	6 886 945
1 009 694	534 940
-	20 198 297
5 000 000	6 000 000

Total Government Grants and Subsidies

25 446 069	51 747 182
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Revenue recognised per vote as required by Section 123 (c) of the MFMA:

	2019 R	2018 R
Equitable share	15 473 000	14 115 000
Executive and council	49 231	-
Finance and Administration	2 927 682	2 900 000
Community and Social Services	743 658	1 112 000
Road Transport	1 009 694	284 940
Energy Sources	242 805	6 886 945
Water Management	5 000 000	6 000 000
Waste Water Management	-	20 448 297
Total Government Grants and Subsidies	25 446 069	51 747 182

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Based on the allocations set out in the Division of Revenue Act (DoRA), no significant changes in the level of government funding are expected over the forthcoming 3 financial years.

	2019 R	2018 R
20.1 Equitable Share		
Opening balance	-	-
Correction of Error	-	-
Grants received	15 473 000	14 115 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(15 473 000)	(14 115 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-

The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the municipality by the National Treasury.

20.2 Local Government Financial Management Grant (FMG)		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 970 000	1 900 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 923 146)	(1 900 000)
Conditions met - Capital	-	-
Conditions still to be met	46 854	-

The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).

20.3 Municipal Infrastructure Grant (MIG)		
Opening balance	2 130 703	-
Correction of Error	-	-
Grants received	2 429 000	7 382 000
Interest received	-	-
Repaid to National Revenue Fund	(3 550 009)	-
Conditions met - Operating	-	-
Conditions met - Capital	(1 009 694)	(5 251 297)
Conditions still to be met	-	2 130 703

The Municipal Infrastructure Grant was used to upgrade infrastructure in previously disadvantaged areas.

20.4 Integrated National Electrification Grant		
Opening balance	113 055	-
Correction of Error	-	-
Grants received	4 000 000	7 000 000
Interest received	-	-
Repaid to National Revenue Fund	(113 055)	-
Conditions met - Operating	-	-
Conditions met - Capital	(242 805)	(6 886 945)
Conditions still to be met	3 757 195	113 055

The National Electrification Grant was used for electrical connections in previously disadvantaged areas.

20.5 Municipal Disaster Grant		
Opening balance	-	-
Correction of Error	-	-
Grants received	-	15 197 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	(15 197 000)
Conditions still to be met	-	-

The Housing grant was utilised for the development of erven and the erection of top structures.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
20.6 Library Grant		
Opening balance	162	1 162
Correction of Error	-	-
Grants received	928 000	1 111 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(743 658)	(1 112 000)
Conditions met - Capital	-	-
Conditions still to be met	184 504	162
The grant was used to finance library activities.		
20.7 Expanded Public Works Programme		
Opening balance	-	-
Correction of Error	-	-
Grants received	1 000 000	1 000 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(1 000 000)	(1 000 000)
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used for job creation.		
20.8 ALEXKOR		
Opening balance	56 759	56 759
Correction of Error	-	-
Grants received	-	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	-	-
Conditions still to be met	56 759	56 759
The grant was used for various projects.		
20.9 Water Services Infrastructure Grant		
Opening balance	-	-
Correction of Error	-	-
Grants received	5 000 000	6 000 000
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	-	-
Conditions met - Capital	(5 000 000)	(6 000 000)
Conditions still to be met	-	-
The grant was used to construct water infrastructure.		
20.10 Seta		
Opening balance	-	-
Correction of Error	-	-
Grants received	53 767	-
Interest received	-	-
Repaid to National Revenue Fund	-	-
Conditions met - Operating	(53 767)	-
Conditions met - Capital	-	-
Conditions still to be met	-	-
The grant was used for attending of trainings accredited by LGSETA		

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
20.11 Total Grants		
Opening balance	2 300 679	57 921
Correction of Error	-	-
Grants received	30 853 767	53 705 000
Interest received	-	-
Repaid to National Revenue Fund	(3 663 063)	-
Conditions met - Operating	(19 193 570)	(18 127 000)
Conditions met - Capital	(6 252 499)	(33 335 242)
Conditions still to be met/(Grant expenditure to be recovered)	4 045 313	2 300 679
<u>Disclosed as follows:</u>		
Unspent Conditional Government Grants and Receipts	4 045 313	2 300 679
Unpaid Conditional Government Grants and Receipts	-	-
Total	4 045 313	2 300 679
21. PUBLIC CONTRIBUTIONS AND DONATIONS		
Donations	1 114 926	942 700
Total Public Contributions and Donations	1 114 926	942 700
22. AVAILABILITY CHARGES		
Electricity	692 645	527 334
Water	1 213 141	1 163 308
Waste Management	386 175	366 045
Waste Water Management	914 018	913 075
Total Availability Charges	3 205 979	2 969 762
23. LICENCES AND PERMITS		
Trading	582	628
Road and Transport	672	6 018
Total Licences and Permits	1 254	6 646
<u>Disclosed as follows:</u>		
Revenue from Non-Exchange Transactions	-	-
Revenue from Exchange Transactions	1 254	6 646
Total Licences and Permits	1 254	6 646
24. SERVICE CHARGES		
Electricity	12 190 462	10 520 408
Service Charges	12 190 462	10 520 408
Water	3 627 463	4 493 263
Service Charges	3 627 463	4 493 263
Waste Management	1 964 852	2 006 291
Service Charges	1 964 852	2 006 291
Waste Water Management	2 105 539	2 168 271
Service Charges	2 105 539	2 168 271
Correction of Error - Note 44.1	19 888 316	19 188 233
	-	(22 306)
Total Service Charges	19 888 316	19 165 927

Revenue Forgone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
25. SALES OF GOODS AND RENDERING OF SERVICES		
Advertisements	17 580	18 360
Building Plan Approval	-	16 628
Building Plan Clause Levy	126 585	96 313
Camping Fees	1 105 793	1 640 869
Cemetery and Burial	7 616	6 043
Entrance Fees	10 712	6 379
Management Fees	38 303	38 700
Photocopies and Faxes	4 779	5 698
Sale of Goods	-	16 769
Scrap, Waste & Other Goods	36 381	103 852
Streets/Street Markets (Informal Traders)	-	81 649
Total Sales of Goods and Rendering of Services	1 347 749	2 031 261
26. RENT ON LAND		
Land	91 641	236 002
Grazing Fees	91 641	236 002
Prospecting, Mining and Royalties	-	7 096
Royalties	-	7 096
Servitudes	285 197	115 432
Total Rent on Land	376 838	358 530
27. RENTAL FROM FIXED ASSETS		
Investment Property	223 803	200
Property, Plant and Equipment	46 975	268 160
Total Rental from Fixed Assets	270 778	268 360
28. INTEREST EARNED - EXTERNAL INVESTMENTS		
Bank	271 383	441 939
Total Interest Earned - External Investments	271 383	441 939
29. INTEREST EARNED - EXCHANGE TRANSACTIONS		
Trade Receivables	3 823 212	2 026 834
Total Interest Earned - Outstanding Receivables	3 823 212	2 026 834
30. OPERATIONAL REVENUE		
Commission	22 769	16 321
Incidental Cash Surpluses	(1 514)	2 950
Insurance Refund	99 932	-
Request for Information	32 878	55 016
Staff Recoveries	-	113
Total Operational Revenue	154 064	74 400
Disclosed as follows:		
Revenue from Exchange Transactions	154 064	74 400
Revenue from Non-Exchange Transactions	-	-
Total Operational Revenue	154 064	74 400

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
31. EMPLOYEE RELATED COSTS		
Basic Salaries and Wages	19 198 367	18 160 552
Pension and UIF Contributions	2 849 003	2 691 241
Medical Aid Contributions	624 655	615 559
Overtime	747 670	746 810
Bonuses	1 436 468	1 382 358
Motor Vehicle Allowance	237 498	370 337
Cell Phone Allowance	35 542	46 655
Housing Allowances	554 112	751 495
Other benefits and allowances	386 044	246 386
Payments in lieu of leave	210 234	307 528
Post-retirement Benefit Obligations	132 315	117 624
Long Service Awards - Note 11.2	132 315	117 624
	26 411 907	25 436 546
Less: Employee Costs allocated elsewhere	-	-
Cost Capitalised to PPE	-	-
Cost allocated to Inventory	-	-
Total Employee Related Costs	26 411 907	25 436 546
KEY MANAGEMENT PERSONNEL		
Key management personnel are all appointed on 5-year fixed contracts. There are no post-employment or termination benefits payable to them at the end of the contract periods.		
REMUNERATION OF KEY MANAGEMENT PERSONNEL		
<i>Remuneration of the Municipal Manager - D Maposa (acting)</i>		
Basic Salaries and Wages	-	162 284
Cell Phone Allowance	-	2 500
Services In-kind	-	284 940
Total	-	449 724
<i>Remuneration of the Chief Financial Officer - ME Basson</i>		
Basic Salaries and Wages	401 746	483 677
Contributions to UIF, Medical and Pension Funds	9 148	1 884
Annual Bonus	40 840	46 674
Motor Vehicle Allowance	66 000	72 000
Cell Phone Allowance	16 500	18 000
Other benefits and allowances	198 277	173 810
Payments in lieu of leave	3 361	-
Total	735 872	796 045
<i>Remuneration of the Chief Financial Officer - HA Raymond (Acting)</i>		
Acting Allowance	61 654	-
Total	61 654	-
<i>Remuneration of the Chief Financial Officer - L Young (Acting)</i>		
Acting Allowance	7 174	-
Total	7 174	-
<i>Remuneration of Director : Corporate Services - EE Cloete</i>		
Basic Salaries and Wages	61 941	366 829
Contributions to UIF, Medical and Pension Funds	23 974	77 880
Annual Bonus	21 250	21 250
Motor Vehicle Allowance	20 647	92 726
Cell Phone Allowance	1 751	7 864
Housing Allowances	9 352	42 000
Other benefits and allowances	39 479	88 650
Payments in lieu of leave	37 832	-
Total	216 226	697 199
<i>Remuneration of Director : Corporate Services - LS Cloete (Acting)</i>		
Acting Allowance	27 020	-
Total	27 020	-

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Remuneration of Director : Corporate Services - AA Talies (Acting)

Acting Allowance	31 999	-
Total	31 999	-

Remuneration of Director : Infrastructure Manager - JX Komanisi

	2019 R	2018 R
Basic Salaries and Wages	421 764	430 396
Contributions to UIF, Medical and Pension Funds	9 837	1 884
Annual Bonus	54 177	35 006
Motor Vehicle Allowance	110 000	120 000
Cell Phone Allowance	11 000	12 000
Housing Allowances	23 104	25 204
Other benefits and allowances	116 655	106 606
Payments in lieu of leave	58 894	-
Total	805 431	731 096

Remuneration of Director : Strategic Planning Manager - SC Adams

Basic Salaries and Wages	318 673	445 551
Acting Allowance	61 284	-
Contributions to UIF, Medical and Pension Funds	131 468	128 517
Motor Vehicle Allowance	47 184	47 184
Cell Phone Allowance	6 291	6 291
Housing Allowances	42 000	42 000
Other benefits and allowances	194 509	86 228
Annual Bonus	12 622	25 243
Total	814 031	781 014

32. REMUNERATION OF COUNCILLORS

AM Jansen	800 958	786 053
G Beukes	281 363	276 646
WJP Links	281 363	276 646
R Jonker	281 363	276 646
S Isaaks	281 363	276 646
A Bock	281 363	276 646
CJ Stuurman	281 363	276 646
Total Councillors' Remuneration	2 489 136	2 445 929

Remuneration paid to Councillors can be summarised as follow:

	Salary	Travel Allowance	Other Allowances	Contributions	Total
Mayor	570 119	190 040	40 800	-	800 958
Councillors	1 082 534	360 845	244 800	-	1 688 178
Total Councillors' Remuneration	1 652 652	550 884	285 600	-	2 489 136

33. CONTRACTED SERVICES

Outsourced Services	107 184	40 520
Transport Services	107 184	40 520
Consultants and Professional Services	2 421 431	4 608 665
Business and Advisory	2 309 953	2 875 127
Business and Financial Management	2 035 855	2 676 035
Medical Examinations	2 312	5 084
Occupational Health and Safety	952	731
Valuer and Assessors	270 835	193 276
Laboratory Services	45 038	39 417
Water	45 038	39 417
Legal Cost	66 440	1 694 122
Legal Advice and Litigation	-	1 540 088
Collection	66 440	154 034

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Contractors	1 288 737	2 409 896
Artists and Performers	170 608	93 173
Catering Services	3 522	122 983
Event Promoters	42 974	62 200
Maintenance of Buildings and Facilities	4 093	2 209
Maintenance of Equipment	654 465	1 460 335
Maintenance of Unspecified Assets	193 835	488 497
Tracing Agents and Debt Collectors	6 210	8 223
Safeguard and Security	163 225	70 018
Stage and Sound Crew	49 807	102 259
Total Contracted Services	3 817 352	7 059 081
	2019	2018
	R	R
34. DEPRECIATION AND AMORTISATION		
Property, Plant and Equipment	9 927 818	10 685 778
Intangible Assets	80 331	91 801
Investment Property carried at cost	83 814	90 778
Total Depreciation and Amortisation	10 091 962	10 868 357
35. FINANCE COSTS		
Long-term Borrowings	106 932	299 007
Non-current Provisions	2 033 865	1 335 463
Non-current Employee Benefits	265 083	250 944
Payables	407 012	30 060
Total Finance Costs	2 812 892	1 915 474
36. BULK PURCHASES		
Electricity	13 188 117	12 815 060
Total Bulk Purchases	13 188 117	12 815 060
37. OPERATIONAL COSTS		
Advertising, Publicity and Marketing	43 165	153 241
Assets less than the Capitalisation Threshold	5 980	11 218
Audit Fees	2 167 708	919 661
Bank Charges, Facility and Card Fees	97 273	87 073
Commission	268 637	268 091
Courier and Delivery Services	41 393	30 164
Communication	496 853	508 788
Eskom Connection Fees	25 437	-
Entertainment	230 682	509 746
External Computer Service	943 936	692 784
Insurance Underwriting	979 605	925 227
Licences	119 725	80 074
Printing, Publications and Books	164 559	168 010
Professional Bodies, Membership and Subscription	534 130	551 043
Registration Fees	3 500	-
Remuneration to Ward Committees	197 500	203 000
Skills Development Fund Levy	384 316	238 054
Travel and Subsistence	606 243	844 999
Uniform and Protective Clothing	73 651	24 507
Wet Fuel	1 141 379	1 135 678
Correction of Error - Note 44.5	-	2 454
Total Operational Costs	8 525 671	7 353 811
38. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON RECEIVABLES		
Receivables from Exchange Transactions - Note 6	6 651 948	2 632 035
Receivables from Non-exchange Revenue - Note 7	2 315 750	1 623 435
Total Reversal of Impairment Loss/ (Impairment Loss) on Receivables	8 967 698	4 255 470
39. GAINS/(LOSS) ON SALE OF FIXED ASSETS		
Property, Plant and Equipment	(6 087 366)	1 522 602
Total Gains/ (Loss) on Sale of Fixed Assets	(6 087 366)	1 522 602

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
40. REVERSAL OF IMPAIRMENT LOSS/(IMPAIRMENT LOSS) ON FIXED ASSETS		
Investment Property	(4 612 933)	-
Total Reversal of Impairment Loss/ (Impairment Loss) on Fixed Assets	(4 612 933)	-
41. PROFIT/ (LOSS) ON FAIR VALUE ADJUSTMENTS		
Investment Property carried at fair value	-	-
Biological Assets carried at fair value	-	-
Other Financial Assets	-	1 364 940
Other Financial Liabilities	-	-
Total Profit/ (Loss) on Fair Value Adjustments	-	1 364 940
42. WATER LOSSES		
Apparent Losses	-	-
Real Losses	182 564	142 076
Data Transfer and Management Errors	-	-
Unavoidable Annual Real Losses	-	-
Total Water Losses	182 564	142 076

43. RECLASSIFICATION OF ITEMS IN THE FINANCIAL STATEMENTS AS A RESULT OF THE IMPLEMENTATION OF mSCOA

The Municipal Regulations on Standard Chart of Accounts (mSCOA) came into effect on 1 July 2017. The municipality has realigned items in the financial statements with the Item Segment of mSCOA. The result of this process was a reclassification and naming of items in the financial statements. New mSCOA Charts are issued annually, resulting into an annual reclassification of items in the financial statements. The reclassification of 2018 audited amounts can be summarised as follows:

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Position			
Capital Replacement Reserve	739	-	739
Housing Development Fund	455 059	-	455 059
Accumulated Surplus/(Deficit)	178 719 405	-	178 719 405
Long-term Borrowings	547 407	-	547 407
Non-current Provisions	27 396 696	-	27 396 696
Non-current Employee Benefits	2 885 836	-	2 885 836
Consumer Deposits	1 408 660	-	1 408 660
Provisions	1 994 712	-	1 994 712
Current Employee Benefits	2 539 674	-	2 539 674
Trade and Other Payables from Exchange Transactions	15 735 333	-	15 735 333
Unspent Transfers and Subsidies	2 300 679	-	2 300 679
Current Portion of Long-term Borrowings	1 554 830	-	1 554 830
Property, Plant and Equipment	185 768 421	-	185 768 421
Investment Property	37 751 089	-	37 751 089
Intangible Assets	164 719	-	164 719
Inventory	558 480	-	558 480
Receivables from exchange transactions	3 399 172	-	3 399 172
Receivables from non-exchange transactions	1 535 877	-	1 535 877
Taxes	3 041 324	-	3 041 324
Cash and Cash Equivalents	3 319 949	-	3 319 949
	-	-	-

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Balance previously reported	Adjustments	Restated Balance
Statement of Financial Performance			
Property Rates	7 593 781	2 295 105	9 888 886
Surcharges and Taxes	4 518	-	4 518
Government Grants and Subsidies	51 747 182	-	51 747 182
Public Contributions and Donations	942 700	-	942 700
Contributed Property, Plant and Equipment	-	-	-
Actuarial Gains	17 164	-	17 164
Availability Charges	-	2 969 762	2 969 762
Fines, Penalties and Forfeits	6 384	-	6 384
Interest Earned - Non-exchange Transactions	157 478	-	157 478
Licences and Permits	-	-	-
Service Charges	24 479 471	(5 291 239)	19 188 233
Sales of Goods and Rendering of Services	2 068 604	(37 344)	2 031 261
Rent on Land	321 186	37 344	358 530
Rental from Fixed Assets	268 360	-	268 360
Interest Earned - external investments	441 939	-	441 939
Interest Earned - Exchange Transactions	2 026 834	-	2 026 834
Licences and Permits	6 646	-	6 646
Agency Services	389 410	-	389 410
Operational Revenue	74 400	-	74 400
Employee related costs	(25 436 546)	-	(25 436 546)
Remuneration of Councillors	(2 445 929)	-	(2 445 929)
Bad Debts Written Off	(943 094)	-	(943 094)
Contracted Services	(7 086 953)	27 872	(7 059 081)
Depreciation and Amortisation	(10 868 357)	-	(10 868 357)
Actuarial Losses	(25 982)	-	(25 982)
Finance Costs	(1 915 474)	-	(1 915 474)
Bulk Purchases	(12 815 060)	-	(12 815 060)
Inventory Consumed	(1 606 512)	-	(1 606 512)
Operating Leases	(249 731)	-	(249 731)
Operational Costs	(7 349 858)	(1 500)	(7 351 358)
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(4 255 470)	-	(4 255 470)
Gains/(Loss) on Sale of Fixed Assets	1 522 602	-	1 522 602
Discounting of Receivables	(910 130)	-	(910 130)
Fair Value Adjustments of Financial Asset	1 364 940	-	1 364 940
Water Losses	(142 076)	-	(142 076)
Net Surplus/(Deficit) for the year	17 382 428	-	17 382 428

44. CORRECTION OF ERROR IN TERMS OF GRAP 3

The following adjustments were made to amounts previously reported in the annual financial statements of the Municipality arising from the implementation of GRAP:

	2019 R	2018 R
44.1 Receivables from Exchange Transactions		
Balance previously reported	-	3 399 172
Correction of Consumer Accounts in 2017/2018 - Note 6	-	(22 306)
Restated Balance	-	3 376 866
Correction of Consumer Accounts.		
44.2 Receivables from Non-Exchange Transactions		
Balance previously reported	-	1 535 877
Correction of Consumer Accounts in 2017/2018 - Note 7	-	(178 275)
list movements	-	-
Restated Balance	-	1 357 602
Correction of Consumer Accounts.		
44.3 Long-Term Borrowings		
Balance previously reported	-	547 407
Correction of Finance Leases in periods before 1 July 2017 - Note 9	-	(351 647)
Restated Balance	-	195 760

Correction of finance leases due to incorrect amortisation tables.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
44.4 Non-Current Provisions		
Balance previously reported	-	27 396 696
Correction of Rehabilitation Costs of landfill-sites in periods before 1 July 2017 - Note 10	-	9 646 307
Restated Balance	-	37 043 003
Correction of Rehabilitation Cost of landfill-sites recognised incorrectly in prior years.		
44.5 Trade and Other Payables from Exchange Transactions		
Balance previously reported	-	15 735 333
Correction of Trade Payables in periods before 1 July 2017 - Note 15	-	38 333
Correction of Retention in periods before 1 July 2017 - Note 15	-	(666 417)
Correction of Trade Payables in 2017/2018 - Note 15	-	2 454
Restated Balance	-	15 109 702
Correction of Trade Payables and Retention.		
44.6 Accumulated Surplus/(Deficit) - 1 July 2017		
Correction of Trade Payables in periods before 1 July 2017 - Note 44.5	-	(38 333)
Correction of Rehabilitation Costs of landfill-sites in periods before 1 July 2017 - Note 44.4	-	(9 646 307)
Correction of Retention in periods before 1 July 2017 - Note 44.5	-	666 417
Correction of Finance Leases in periods before 1 July 2017 - Note 44.3	-	351 647
Total	-	(8 666 576)
44.7 Changes to Statement of Financial Performance		
Movement on operating account as a result of GRAP standards not implemented in prior years:		

	Note	Balance previously reported	Adjustments	Restated Balance
Revenue				
Property Rates	44,2	9 888 886	(178 275)	9 710 611
Surcharges and Taxes		4 518	-	4 518
Government Grants and Subsidies		51 747 182	-	51 747 182
Public Contributions and Donations		942 700	-	942 700
Contributed Property, Plant and Equipment		-	-	-
Actuarial Gains		17 164	-	17 164
Availability Charges		2 969 762	-	2 969 762
Fines, Penalties and Forfeits		6 384	-	6 384
Interest Earned - Non-exchange Transactions		157 478	-	157 478
Licences and Permits from Non-Exchange Transactions		-	-	-
Service Charges	44,1	19 188 233	(22 306)	19 165 927
Sales of Goods and Rendering of Services		2 031 261	-	2 031 261
Rental from Fixed Assets		626 890	-	626 890
Interest Earned - External Investments		441 939	-	441 939
Interest Earned - Exchange Transactions		2 026 834	-	2 026 834
Licences and Permits from Exchange Transactions		6 646	-	6 646
Agency Services		389 410	-	389 410
Operational Revenue		74 400	-	74 400
Total		90 519 687	(200 581)	90 319 106
Expenditure				
Employee related costs		(25 436 546)	-	(25 436 546)
Remuneration of Councillors		(2 445 929)	-	(2 445 929)
Bad Debts Written Off		(943 094)	-	(943 094)
Contracted Services		(7 059 081)	-	(7 059 081)
Depreciation and Amortisation		(10 868 357)	-	(10 868 357)
Actuarial Losses		(25 982)	-	(25 982)
Finance Costs		(1 915 474)	-	(1 915 474)
Bulk Purchases		(12 815 060)	-	(12 815 060)
Inventory Consumed		(1 606 512)	-	(1 606 512)
Operating Leases		(249 731)	-	(249 731)
Transfers and Subsidies		-	-	-
Operational Costs	44,5	(7 351 358)	(2 454)	(7 353 811)
Total		(70 717 124)	(2 454)	(70 719 578)

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Gains and Losses

Inventories: (Write-down)/Reversal of Write-down to Net Realisable Value	-	-	-
Reversal of Impairment Loss/(Impairment Loss) on Receivables	(4 255 470)	-	(4 255 470)
Gains/(Loss) on Sale of Fixed Assets	1 522 602	-	1 522 602
Reversal of Impairment Loss/(Impairment Loss) on Fixed Assets	-	-	-
Discounting of Receivables	(910 130)	-	(910 130)
Fair Value Adjustments of Financial Asset	-	-	-
Profit/(Loss) from Discontinued Operations	1 364 940	-	1 364 940
Water Losses	(142 076)	-	(142 076)
Total	(2 420 134)	-	(2 420 134)
Net Surplus/(Deficit) for the year	17 382 428	(203 034)	17 179 394

	2019 R	2018 R
45. RECONCILIATION BETWEEN NET SURPLUS/(DEFICIT) FOR THE YEAR AND CASH GENERATED/(ABSORBED) BY OPERATIONS		
Surplus/(Deficit) for the year	(16 886 314)	17 179 394
Adjustments for:		
Depreciation and Amortisation	10 091 962	10 868 357
(Gain)/Loss on Sale of Assets	1 638 883	(1 522 602)
Impairment Loss/(Reversal of Impairment Loss)	4 612 933	-
Fair Value Adjustments of Financial Asset	-	(1 364 940)
Discounting of Receivables	-	910 130
Interest not levied - Non-exchange Transactions	-	(65 616)
Interest not levied - Exchange Transactions	-	(844 514)
Government Grants and Subsidies received	30 853 767	53 705 000
Government Grants and Subsidies recognised as revenue	(25 446 069)	(51 462 242)
Government Grants repaid to National Revenue Fund	(3 663 063)	-
Contribution to provisions - Non-Current Provisions	2 033 865	1 335 463
Donation In-kind	-	(284 940)
Salary In-kind	-	284 940
Contribution from/to provisions - Non-Current Employee Benefits	125 931	119 765
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial losses	294 942	25 982
Contribution from/to provisions - Non-Current Employee Benefits - Actuarial gains	-	(17 164)
Contribution from/to - Current Employee Benefits	(2 103)	215 262
Contribution to provisions - Bad Debt	8 967 698	4 255 470
Bad Debts written off	-	943 094
Operating lease income accrued	-	1 146
Operating Surplus/(Deficit) before changes in working capital	12 622 431	34 281 984
Changes in working capital	(7 022 158)	(5 278 520)
Increase/(Decrease) in Trade and Other Payables	896 593	2 913 597
Increase/(Decrease) in Taxes	824 806	(2 046 997)
(Increase)/Decrease in Inventory	4 886	(235 890)
(Increase)/Decrease in Receivables from Exchange Transactions	(6 293 838)	(5 002 356)
(Increase)/Decrease in Receivables from Non-Exchange Transactions	(2 454 605)	(906 875)
Cash generated/(absorbed) by operations	5 600 273	29 003 464

46. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the cash flow statement comprise the following:

Current Accounts - Note 8	57 772	289 405
Call Deposits and Investments - Note 8	73 463	3 030 163
Cash Floats - Note 8	380	380
Total cash and cash equivalents	131 615	3 319 949

47. RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES

Cash and Cash Equivalents - Note 46	131 615	3 319 949
Less:	(3 652 965)	(2 300 679)
Unspent Transfers and Subsidies - Note 16	(4 045 313)	(2 300 679)
VAT - Note 17	392 348	-
Net cash resources available for internal distribution	(3 521 350)	1 019 270
Allocated to:		
Capital Replacement Reserve	(739)	(739)
Resources available for working capital requirements	(3 522 089)	1 018 531

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
48. UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION		
Long-term Liabilities - Note 9	103 320	1 750 590
Used to finance property, plant and equipment - at cost	(103 320)	(1 750 590)
	<hr/>	<hr/>
Cash set aside for the repayment of long-term liabilities	-	-
Cash invested for repayment of long-term liabilities	-	-
	<hr/>	<hr/>
Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.		
49. BUDGET INFORMATION		
49.1 Explanation of variances between approved and final budget amounts		
The reasons for the variances between the approved and final budgets are mainly due to virements, and the negative effect of the abnormal high electricity and solid waste tariff increases on consumer debtors, the decrease in the capital expenditure, and the reprioritising of capital projects, with the corresponding changes to funding sources.		
Explanation of variances greater than 5%: Final Budget and Actual Amounts		
49.2 Statement of Financial Position		
49.2.1 Current Assets		
Cash		
<i>Cash flow constraints</i>		
Call Investment Deposits		
<i>Cash flow constraints</i>		
Consumer Debtors		
<i>Non-Payment of consumers</i>		
Other Debtors		
<i>Non-Payment of consumers</i>		
49.2.2 Non-Current Assets		
Investment Property		
<i>Reconstructuring of Asset Register</i>		
Property, Plant and Equipment		
<i>Reconstructuring of Asset Register</i>		
Intangible Assets		
<i>Reconstructuring of Asset Register</i>		
49.2.3 Current Liabilities		
Borrowing		
<i>Finance lease expired</i>		
Trade and Other Payables		
<i>Cash flow constraints</i>		
49.2.4 Non-Current Liabilities		
Provisions		
<i>Increase in provision for rehabilitation of landfill-sites and finance lease expired</i>		
49.2.5 Revenue		
Property Rates		
<i>Revenue Forgone not budgeted for.</i>		

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Service Charges - Water Revenue

Decrease due to water drought.

Service Charges - Sanitation Revenue

Decrease due to water drought.

Service Charges - Refuse Revenue

Revenue Forgone not budgeted for.

Service Charges - Other Revenue

Decrease due to water drought.

Rental of Facilities and Equipment

Decrease due to water drought.

Interest Earned - External Investments

Cash flow constraints

Interest Earned - Outstanding Debtors

Decrease due to write-off of old debt.

Dividends Received

No dividends received

Fines

Less fines received

Licences and Permits

Decrease in licences issued.

Agency Services

Decrease in agency income paid over.

Transfers Recognised - Operational

Grant allocation repaid

Other Revenue

Decrease in operational revenue.

Gains on Disposal of PPE

Inventory Land sold during the year.

Transfers Recognised - Capital

Grant allocation withheld

49.2.6 Expenditure

Depreciation and Asset Impairment

Reconstructing of Asset Register.

Finance Charges

Increase in provision for rehabilitation of landfill-sites.

Other Materials

Inventory Consumed included under other expenditure in budget.

Other Expenditure

Inventory Consumed included under other expenditure in budget and unwinding of interest not levied for Receivables.

Cash Flow Statement

49.2.7 Net Cash from Operating Activities

Service Charges

Document reasons

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Finance costs

Document reasons

49.2.8 Net Cash from Investing Activities

Decrease/(Increase) in Non-Current Debtors

Non-payment

Capital Assets

Unspent grants

49.2.9 Net Cash from Financing Activities

Increase/(Decrease) in Consumer Deposits

Non-payment

Repayment of Borrowing

Finance lease expired

	2019 R	2018 R
50. UNAUTHORISED, IRREGULAR, FRUITLESS AND WASTEFUL EXPENDITURE DISALLOWED		
50.1 Unauthorised expenditure		
Reconciliation of unauthorised expenditure:		
Opening balance	64 045 002	60 243 721
Correction of prior period error	-	-
Restated opening balance	64 045 002	60 243 721
Unauthorised expenditure current year - operational	7 834 308	3 801 281
Unauthorised expenditure current year - capital	30 010	-
Approved by Council or condoned	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery	-	-
Current	-	-
Prior Period	-	-
Unauthorised expenditure awaiting authorisation	71 909 321	64 045 002

Unauthorised expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings		
Over expenditure of approved operating budget - 2011	None	8 326 343	8 326 343
Over expenditure of approved capital budget - 2011	None	5 601 856	5 601 856
Over expenditure of approved operating budget - 2012	None	48 113	48 113
Over expenditure of approved capital budget - 2012	None	430 587	430 587
Over expenditure of approved operating budget - 2013	None	2 219 133	2 219 133
Over expenditure of approved capital budget - 2013	None	4 457 394	4 457 394
Over expenditure of approved operating budget - 2014	None	4 354 299	4 354 299
Over expenditure of approved capital budget - 2014	None	6 368 173	6 368 173
Over expenditure of approved operating budget - 2015	None	6 562 636	6 562 636
Over expenditure of approved capital budget - 2015	None	445 821	445 821
Over expenditure of approved operating budget - 2016	None	6 488 967	6 488 967
Over expenditure of approved capital budget - 2016	None	2 194 638	2 194 638
Over expenditure of approved operating budget - 2017	None	12 372 322	12 372 322
Over expenditure of approved capital budget - 2017	None	373 440	373 440
Over expenditure of approved operating budget - 2018	None	3 801 281	3 801 281
Over expenditure of approved operating budget - 2019	None	7 864 319	
		71 909 321	64 045 002

The overspending of the Budget per municipal vote can be summarised as follows:

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
Unauthorised expenditure current year - operating				
Executive and council	5 948 922	6 819 883	(870 961)	-
Administration: Corporate	9 283 041	7 120 521	2 162 520	2 162 520
Administration: Community	7 215 260	6 952 625	262 635	262 635
Financial Services	14 278 904	14 459 555	(180 651)	-
Infrastructure	41 513 310	36 104 156	5 409 154	5 409 154
	<u>78 239 436</u>	<u>71 456 740</u>	<u>6 782 696</u>	<u>7 834 308</u>

	2019 Actual R	2019 Final Budget R	2019 Variance R	2019 Unauthorised R
Unauthorised expenditure current year - capital				
Executive and council	10 323	25 000	(14 677)	-
Administration: Corporate	32 763	32 500	263	263
Administration: Community	169 984	169 188	796	796
Financial Services	48 951	20 000	28 951	28 951
Infrastructure	7 024 404	11 729 000	(4 704 596)	-
	<u>7 286 426</u>	<u>11 975 688</u>	<u>(4 689 262)</u>	<u>30 010</u>

50.2 **Fruitless and wasteful expenditure**

Reconciliation of fruitless and wasteful expenditure:

	2019 R	2018 R
Opening balance	282 806	252 745
Correction of prior period error	-	-
Restated opening balance	282 806	252 745
Fruitless and wasteful expenditure current year	406 815	30 060
Condoned or written off by Council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Fruitless and wasteful expenditure awaiting condonement	<u>689 621</u>	<u>282 806</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Fruitless and wasteful expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2019 R	2018 R
Interest and Penalties Paid to SARS on late payment of employee tax.	None	115	115
Interest Paid to Eskom.	None	38 083	38 083
Interest Paid to Creditors.	None	6 331	6 331
Interest and Penalties Paid to SARS on late payment of VAT.	None	12 693	12 693
Power failure caused damages to lobster and abalone at the Port Lobster fishing factory	None	25 000	25 000
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	None	65	65
Official responsible for preparation of orders failed to supply order to ensure timeous payment of creditor	None	224	224
Interest Paid to Creditors	None	66 025	66 025
Interest and Penalties Paid to SARS on late payment of employee tax.	None	44	44
Interest Paid to Eskom	None	13 944	13 944
Interest Paid to Creditors	None	4 770	4 770
Interest and Penalties Paid to SARS on late payment of Provident Fund	None	621	621
Interest Paid to Eskom	None	67 249	67 249
Interest Paid to Creditors	None	41 760	41 760
Interest Paid to D.J Scholtz & de Wit	None	5 264	5 264
Interest Paid to Wessee Konstruksie	None	206	206
Interest Paid to Van's Photo	None	57	57
Interest Paid to Honolulu Hardware	None	352	352
Interest Paid to Creditors	None	38	-
Interest Paid to Eskom	None	10 169	-
Interest Paid to Eskom	None	30 817	-
Interest Paid to Eskom	None	29 754	-
Interest Paid to Wessee Konstruksie	None	1 154	-
Interest Paid to Eskom	None	35 892	-
Interest Paid to Eskom	None	38 236	-
Interest Paid to Eskom	None	129	-
Interest Paid to Eskom	None	155	-
Interest on late payment -Government Printing	None	25	-
Interest Paid to Eskom	None	736	-
Interest Paid to Eskom	None	2 204	-
Interest on late payment - Municipal Workers Retirement	None	685	-
Interest Paid to Wessee Konstruksie	None	11	-
Interest Paid to Eskom	None	143	-
Interest on late payment - Honolulu Mica	None	705	-
Interest Paid to Telkom	None	302	-
Interest Paid to Eskom	None	325	-
Interest Paid to Auditor General	None	52 611	-
Interest Paid to SARS	None	2 556	-
Interest Paid to TGIS	None	952	-
Interest Paid to Wessee Konstruksie	None	91	-
Interest Paid to Eskom	None	199 125	-
		689 621	282 806

50.3 Irregular expenditure

Reconciliation of irregular expenditure:

Opening balance	57 548 589	57 548 589
Correction of prior period error		
Restated opening balance	57 548 589	57 548 589
Irregular expenditure current year	-	-
Expenditure authorised i.t.o. Section 32 of MFMA	-	-
Current	-	-
Prior Period	-	-
Condonement supported by council	-	-
Current	-	-
Prior Period	-	-
Transfer to receivables for recovery - not condoned	-	-
Current	-	-
Prior Period	-	-
Irregular expenditure awaiting further action	57 548 589	57 548 589

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Irregular expenditure can be summarised as follow:

Incident	Disciplinary steps/criminal proceedings	2019 R	2018 R
Non compliance with Supply Chain Management Policy - Three written quotations not obtained and incomplete registration forms	To be investigated	16 460 016	16 460 016
Non compliance of tenders with Supply Chain Management Policy	To be investigated	24 880 494	24 880 494
Non compliance with Supply Chain Management Policy - Supplier in service of state	To be investigated	506 874	506 874
Non compliance with Supply Chain Management Policy - Contracts awarded not published on website	To be investigated	1 487 349	1 487 349
Non compliance with Supply Chain Management Policy - Deviation not reported to council	To be investigated	3 670	3 670
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2015	To be investigated	3 729 662	3 729 662
Employee Related Cost - employees acting as CFO for longer than 3 months - 2015	To be investigated	140 781	140 781
Employee Related Cost - appointments made not on organogram - 2015	To be investigated	1 251 121	1 251 121
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2016	None	3 530 313	3 530 313
Overpayment of capital projects	None	165 577	165 577
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2016	None	79 141	79 141
Employee Related Cost - appointments made not on organogram - 2016	None	300 320	300 320
Employee Related Cost - employees acting as Municipal Manager for longer than 6 months - 2017	To be investigated	380 192	380 192
Deviations from the Supply Chain regulations - 3 Quotations not obtained, No Original Tax Clearance Certificate, No declaration of interest and Preferential Procurement Policy Framework Act not followed - 2017	To be investigated	4 633 079	4 633 079
		<u>57 548 589</u>	<u>57 548 589</u>

Recoverability of all irregular expenditure will be evaluated by Council in terms of section 32 of MFMA. No steps have been taken at this stage to recover any monies.

Cases under investigations

xx (2018: xx) Cases related to non-compliance with procurement process requirements.

xx (2018: xx) Cases related to other non-compliance with laws, regulations, council policies and/or by-laws. These cases can be summarised as follows:

Public Bearers Act	-	-
Municipal Systems Act	-	-
Incident 3	-	-
Incident 4	-	-
	<u>-</u>	<u>-</u>

Amounts recoverable

After the MPAC investigations, council adopted MPAC's recommendations to recover an amount of Rxx xxx xxx from the municipal official as it was proven without reasonable doubt that the official was liable for the identified non-compliance to the SCM processes.

Incident 1	-	-
Incident 2	-	-
Incident 3	-	-
Incident 4	-	-
	<u>-</u>	<u>-</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Further instances of Irregular Expenditure that might have resulted from non-compliance with the supply chain management processes are under investigation to determine the full extent of the amount. These expenditure can be summarised as follows:

Incident	Disciplinary steps/criminal proceedings	2019 R	2018 R
Non compliance with Supply Chain Management Policy - R2 000 - R10 000	To be investigated	-	29 634
Non compliance with Supply Chain Management Policy - R10 001 - R200 000	To be investigated	-	1 124 646
Non compliance with Supply Chain Management Policy - Competitive Bids	To be investigated	-	10 845 945
Deviations from the Supply Chain Management Policy	To be investigated	-	13 271 737
Deviations from the Supply Chain regulations - Preference points system not used	To be investigated	-	86 754
Non compliance with Supply Chain Management Policy - Local content	To be investigated	-	60 852
Non compliance with Supply Chain Management Policy - Contract Management	To be investigated	-	503 657
		-	25 923 225

51. ADDITIONAL DISCLOSURES IN TERMS OF MUNICIPAL FINANCE MANAGEMENT ACT

51.1 Contributions to organised local government - [MFMA 125 (1)(b)] - (SALGA CONTRIBUTIONS)

Opening balance	-	100 000
Council subscriptions	500 000	500 000
Amount paid - current year	(500 000)	(500 000)
Amount paid - previous years	-	(100 000)
Balance unpaid (included in creditors)	-	-

51.2 Audit fees - [MFMA 125 (1)(c)]

Opening balance	518 496	1 468 016
Correction of prior period error	-	-
Restated opening balance	518 496	1 468 016
Current year audit fee	2 489 633	2 475 441
External Audit - Auditor-General	2 468 090	2 475 441
Internal Audit	-	-
Audit Committee	21 543	-
Amount paid - current year	-	(1 461 507)
Amount paid - previous year	(1 027 027)	(1 963 455)
Balance unpaid (included in creditors)	1 981 102	518 496

51.3 VAT - [MFMA 125 (1)(c)]

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

VAT is payable on the receipt basis. Only once payment is received from the debtors is VAT paid over to SARS. All VAT returns have been submitted by the due date throughout the year. The net of VAT Input Payables and VAT Output Receivables are shown in Note 17.

	2019 R	2018 R
51.4 PAYE and UIF - [MFMA 125 (1)(c)]		
Opening balance	279 277	204 881
Correction of prior period error	5 208	-
Restated opening balance	284 485	204 881
Current year payroll deductions	3 416 535	3 051 642
Amount paid - current year	(3 164 647)	(2 772 365)
Amount paid - previous year	(284 485)	(204 881)
Balance unpaid (included in creditors)	251 888	279 277
51.5 Pension and Medical Aid Deductions - [MFMA 125 (1)(c)]		
Opening balance	427 088	178 095
Correction of prior period error	-	-
Restated opening balance	427 088	178 095
Current year payroll deductions and Council Contributions	5 289 651	5 051 920
Amount paid - current year	(4 854 867)	(4 624 832)
Amount paid - previous year	(427 088)	(178 095)
Balance unpaid (included in creditors)	434 784	427 088
51.6 Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]		
The following Councillors had arrear accounts for more than 90 days as at 30 June 2019:	Outstanding more than 90 days	
AM Jansen	10 060	
None of the Councillors had arrear accounts outstanding for more than 90 days during the year.		

51.7 Disclosures in terms of the Municipal Supply Chain Management Regulations - Promulgated by Government Gazette 27636 dated 30 May 2005

Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation 36(1)(a) and (b)
30 June 2019

	Amount	1/2 Quotes	Single Supplier	Impossible	Type of Deviation		Emergency
					Impractical		
July	701 084	1	-	-	-	-	-
August	2 018 265	3	-	-	3	-	-
September	12 057	-	1	-	1	-	-
October	1 110 140	5	3	-	2	1	-
November	541 338	1	-	-	4	-	-
December	1 541 476	13	1	-	-	1	-
January	270 881	4	1	-	2	-	-
February	235 659	1	-	-	1	-	-
March	227 529	1	-	-	1	-	-
April	21 630	1	-	-	-	-	-
May	-	-	-	-	-	-	-
June	237 616	2	-	-	2	-	-
	6 917 675	32	6	-	16	2	

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

30 June 2018

	Amount	1/2 Quotes	Single Supplier	Type of Deviation		Emergency
				Impossible	Impractical	
July	190 880	-	5	-	1	1
August	382 942	-	6	-	6	5
September	101 498	-	3	-	2	-
October	269 105	-	4	-	-	3
November	72 845	-	6	-	-	-
December	366 916	-	43	-	1	3
January	331 681	-	10	-	3	1
February	121 870	-	5	-	1	-
March	234 407	-	8	-	1	3
April	20 643	-	2	-	2	-
May	312 474	-	2	-	-	-
June	28 792	-	2	-	2	-
	2 434 052	-	96	-	19	16

51.8 BROAD-BASED BLACK ECONOMIC EMPOWERMENT ACT

Information on compliance with the B-BBEE Act is included in the annual report under the section titled B-BBEE Compliance Performance Information.

51.9 Material losses

Electricity distribution losses

Units purchased (Kwh)

2019
R

2018
R

9 737 058

10 224 620

Units lost during distribution (Kwh)

2 732 393

2 867 301

Percentage lost during distribution

28,06%

28,04%

Distribution loss (Rand Value)

1 757 392

1 722 077

Water distribution losses

Units purchased (ml)

280 790

382 310

Units lost during distribution (ml)

66 387

51 664

Percentage lost during distribution

23,64%

13,51%

Distribution loss (Rand Value)

182 564

142 076

Normal pipe bursts and field leakages are responsible for water losses.

The municipality provides water services to indigent consumers. Consumptions used by indigent consumers are more than the free 6kl water they received. No action was taken to recover the additional consumptions from indigent consumers and based on history, outstanding amounts are not paid by indigent consumers. The cost to provide these services amounts to:

52. FINANCIAL RISK MANAGEMENT

The activities of the municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

(a) Foreign Exchange Currency Risk

The municipality does not engage in foreign currency transactions.

(b) Price Risk

The municipality is not exposed to price risk.

(c) Interest Rate Risk

As the municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The municipality did not hedge against any interest rate risks during the current year.

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	2019 R	2018 R
The potential impact on the entity's surplus/(deficit) for the year due to changes in interest rates were as follow:		
1% (2018: 1%) Increase in interest rates	279	15 690
1% (2018: 1%) Decrease in interest rates	(279)	(15 690)

(d) Credit Risk

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur financial loss.

Credit risk arises mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Trade and other receivables are disclosed net after provisions are made for impairment and bad debts. Trade receivables comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. Ongoing credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other receivables is considered to be moderate due the diversified nature of receivables and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 6 and 7 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

	2019 %	2019 R	2018 %	2018 R
<u>Non-Current Receivables</u>				
Repay Arrangements	100,00%	-	100,00%	-
<u>Non-exchange Receivables</u>				
Rates	100,00%	14 286 788	100,00%	12 010 458
	100,00%	14 286 788	100,00%	12 010 458
<u>Exchange Receivables</u>				
Electricity	7,46%	4 554 058	7,83%	4 208 089
Water	37,04%	22 601 891	36,27%	19 490 268
Property Rentals	3,35%	2 043 622	4,42%	2 372 445
Waste Management	21,65%	13 211 263	21,42%	11 509 613
Waste Water Management	19,65%	11 989 465	19,25%	10 345 980
Abeyance	4,66%	2 846 696	4,92%	2 644 276
Other	6,19%	3 780 079	5,89%	3 164 773
	100,00%	61 027 074	100,00%	53 735 444

No receivables are pledged as security for financial liabilities.

Due to short term nature of trade and other receivables the carrying value disclosed in note 6 and 7 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

The provision for bad debts could be allocated between the different classes of receivables as follow:

	2019 %	2019 R	2018 %	2018 R
<u>Non-exchange Receivables</u>				
Rates	39,95%	38 584 976	41,87%	36 269 225
<u>Exchange Receivables</u>				
Services	60,05%	58 008 317	58,13%	50 358 578
	100,00%	96 593 293	100,00%	86 627 803

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Exchange Receivables	non- exchange Receivables
<u>Ageing of amounts past due but not impaired are as follow:</u>		
2019		
1 month past due	731 271	79 768
2+ months past due	(309 135)	792 593
	<u>422 136</u>	<u>872 361</u>
2018		
1 month past due	1 050 911	98 409
2+ months past due	153 179	710 012
	<u>1 204 090</u>	<u>808 420</u>

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The banks utilised by the municipality for current and non-current investments are all listed on the JSE (First National Bank). The credit quality of these institutions are evaluated based on their required SENS releases as well as other media reports. Based on all public communications, the financial sustainability is evaluated to be of high quality and the credit risk pertaining to these institutions are considered to be low.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

	2019 R	2018 R
Financial assets exposed to credit risk at year end are as follows:		
Receivables from exchange transactions	61 027 074	53 735 444
Receivables from non-exchange transactions	40 081 433	37 626 828
Cash and Cash Equivalents	131 235	3 319 569
	<u>101 239 742</u>	<u>94 681 840</u>

(e) Liquidity Risk

Prudent liquidity risk management includes maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The entity manages liquidity risk through an ongoing review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	More than 10 years
2019				
Long-term Liabilities	103 320	-	-	-
Trade and Other Payables	16 006 295	-	-	-
	<u>16 109 614</u>	<u>-</u>	<u>-</u>	<u>-</u>
2018				
Long-term Liabilities	1 699 878	585 267	-	-
Trade and Other Payables	15 109 702	-	-	-
	<u>16 809 580</u>	<u>585 267</u>	<u>-</u>	<u>-</u>

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

		2019 R	2018 R
53. FINANCIAL INSTRUMENTS			
In accordance with GRAP104.45 the financial liabilities and assets of the municipality are classified as follows:			
53.1 Financial Assets	Classification		
Receivables from Exchange Transactions			
Electricity	Financial Instruments at amortised cost	4 554 058	4 208 089
Water	Financial Instruments at amortised cost	22 601 891	19 490 268
Property Rentals	Financial Instruments at amortised cost	2 043 622	2 372 445
Waste Management	Financial Instruments at amortised cost	13 211 263	11 509 613
Waste Water Management	Financial Instruments at amortised cost	11 989 465	10 345 980
Abeyance	Financial Instruments at amortised cost	2 846 696	2 644 276
Other Arrears	Financial Instruments at amortised cost	3 780 079	3 187 078
Cash and Cash Equivalents			
Bank Balances	Financial Instruments at amortised cost	57 772	289 405
Call Deposits	Financial Instruments at amortised cost	73 463	3 030 163
Total Financial Assets		61 158 309	57 077 318
SUMMARY OF FINANCIAL ASSETS			
Financial Instruments at amortised cost:			
Receivables from Exchange Transactions	Electricity	4 554 058	4 208 089
Receivables from Exchange Transactions	Water	22 601 891	19 490 268
Receivables from Exchange Transactions	Property Rentals	2 043 622	2 372 445
Receivables from Exchange Transactions	Waste Management	13 211 263	11 509 613
Receivables from Exchange Transactions	Waste Water Management	11 989 465	10 345 980
Receivables from Exchange Transactions	Abeyance	2 846 696	2 644 276
Receivables from Exchange Transactions	Other Arrears	3 780 079	3 187 078
Cash and Cash Equivalents	Bank Balances	57 772	289 405
Cash and Cash Equivalents	Call Deposits	73 463	3 030 163
		61 158 309	57 077 318
Total Financial Assets		61 158 309	57 077 318
53.2 Financial Liabilities	Classification		
Long-term Liabilities			
Capitalised Lease Liability	Financial Instruments at amortised cost	103 320	2 102 237
Trade and Other Payables			
Trade Payables	Financial Instruments at amortised cost	14 427 090	13 824 800
Advance Payments	Financial Instruments at amortised cost	804 833	874 078
Control, Clearing and Interface Accounts	Financial Instruments at amortised cost	331 393	43 369
Other Payables	Financial Instruments at amortised cost	292 444	202 231
Retentions	Financial Instruments at amortised cost	150 535	790 855
		16 109 614	17 837 569
SUMMARY OF FINANCIAL LIABILITIES			
Financial instruments at amortised cost:			
Long-term Liabilities	Capitalised Lease Liability	103 320	2 102 237
Trade and Other Payables	Trade Payables	14 427 090	13 824 800
Trade and Other Payables	Advance Payments	804 833	874 078
Trade and Other Payables	Control, Clearing and Interface Accounts	331 393	43 369
Trade and Other Payables	Other Payables	292 444	202 231
Trade and Other Payables	Retentions	150 535	790 855
		16 109 614	17 837 569
54. STATUTORY RECEIVABLES			
In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:			

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Taxes		
VAT Receivable	2 549 798	0,00
Receivables from Non-Exchange Transactions	14 286 788	12 010 458
Rates	14 286 788	12 010 458
Total Statutory Receivables (before provision)	16 836 586	12 010 458
Less: Provision for Debt Impairment	(13 290 912)	(10 975 162)
Total Statutory Receivables (after provision)	3 545 673	1 035 296

Statutory Receivables arises from the following legislation:

Taxes	- Value Added Tax Act (No 89 of 1991)
Rates	- Municipal Properties Rates Act (No 6 of 2004)

	2019 R	2018 R
(Rates): Ageing		
Current (0 - 30 days)	123 515	48 601
31 - 60 Days	79 768	98 409
61 - 90 Days	65 845	76 399
+ 90 Days	14 017 660	11 787 050
Total	14 286 788	12 010 458

Reconciliation of Provision for Debt Impairment

Balance at beginning of year	10 975 162	10 716 667
Contribution to provision	2 315 750	258 495
Reversal of provision	-	-
Balance at end of year	13 290 912	10 975 162

Interest is levied at a rate determined by the council on outstanding rates amounts.

55. IN-KIND DONATIONS AND ASSISTANCE

The municipality did not receive any in-kind donations or assistance during the year under review.

56. PRIVATE PUBLIC PARTNERSHIPS

Council has not entered into any private public partnerships during the financial year.

57. CONTINGENT LIABILITY

The municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.

58. RELATED PARTIES

Key Management and Councillors receive and pay for services on the same terms and conditions as other ratepayers / residents.

58.1 Related Party Transactions

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2019						
Councillors						
AM Jansen - Mayor	10 977	29 869	-	-	17 865	-
G Beukes	552	4 961	-	-	402	-
WJP Links	1 832	4 456	-	-	37 165	-
R Jonker	5 385	6 203	-	-	-	-
S Isaaks	-	2 337	-	-	196	-
CJ Stuurman	901	7 645	-	-	-4	-
	19 647	55 472	-	-	55 624	-
Municipal Manager and Section 57 Employees						
JX Komanisi	-	18 977	27 253	-	6 619	-
M Basson	860	4 566	-	-	-	-
	860	23 543	27 253	-	6 619	-

RICHTERSVELD MUNICIPALITY

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

	Rates	Service Charges	Other	Interest	Outstanding Balance	Provision for Debt Impairment
Year ended 30 June 2018						
Councillors						
AM Jansen - Mayor	10 293	25 654	-	-	4 532	-
R Jonker	5 110	5 887	-	-	837	-
G Beukes	508	6 627	-	-	324	-
	15 911	38 168	-	-	5 693	-
Municipal Manager and Section 57 Employees						
E Cloete	-	3 921	-	-	298	-
JX Komanisi	-	19 663	25 204	-	2 928	-
	-	23 584	25 204	-	3 226	-

The rates, service charges and other charges are in accordance with approved tariffs that were advertised to the public. No bad debt expenses have been recognised in respect of amounts owed by related parties.

Related party relationship

Councillors and management comprises of those persons responsible for planning, directing and controlling the activities of the Municipality.

58.2 Compensation of key management personnel

The compensation of key management personnel is set out in note 31 to the Annual Financial Statements.

58.3 Current Employee Benefits

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on :

30 June 2019

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
GE Cloete	Municipal Manager	-	-	37 557
ME Basson	Chief Financial Officer	-	-	9 220
EE Cloete	Head: Corporate Services	-	-	-
JX Komanisi	Infrastructure Manager	-	-	66 449
SC Adams	Strategic Planning Manager	49 679	12 622	61 132
		49 679	12 622	174 359

The Municipality has the following current employee benefit obligations and made other non-Employee Related Cost payments towards senior management on :

30 June 2018

Name	Position	Staff Leave Obligations	Staff Bonus Obligations	Travel and Subsistence paid
D Maposa	Municipal Manager	-	-	70 730
ME Basson	Chief Financial Officer	48 728	8 751	22 456
EE Cloete	Head: Corporate Services	46 734	15 454	5 285
JX Komanisi	Infrastructure Manager	50 408	20 420	47 007
SC Adams	Strategic Planning Manager	39 985	-	46 489
		185 856	44 626	191 967

The comparative information relating to current employee benefits, travel and subsistence and provision for debt impairment have been restated due to an error identified in the financial statements regarding amounts disclosed 30 June 2018.

NOTES ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

59. FINANCIAL SUSTAINABILITY

In spite of aforementioned, management has prepared the Annual Financial Statements on the Going Concern Basis.

60. EVENTS AFTER REPORTING PERIOD

No events after the reporting date were identified by management that will effect the operations of the municipality or the results of those operations significantly.

APPENDIX A
RICHTERSVELD MUNICIPALITY
SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2019

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 June 2018	Correction of Error	Received during the period	Redeemed written off during the period	Balance at 30 June 2019
LEASE LIABILITY								
Office Equipment				-	-	-	-	-
Vehicles		Various	01/07/2019	2 102 237	-	-	(1 998 917)	103 320
Total Lease Liabilities				2 102 237	-	-	(1 998 917)	103 320
TOTAL EXTERNAL LOANS				2 102 237	-	-	(1 998 917)	103 320

Carrying Value of Property, Plant & Equipment	Other Costs in accordance with the MFMA
-	-
-	-
-	-
-	-

APPENDIX B

RICHTERSVELD MUNICIPALITY

SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019

GENERAL FINANCE STATISTIC CLASSIFICATIONS

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
81 649	(7 208 330)	(7 126 680)	Governance and Administration	(50 769)	(5 689 222)	(5 739 991)
31 489 075	(22 940 416)	8 548 659	Executive and council	27 180 969	(25 127 959)	2 053 010
-	-	-	Finance and administration	-	(259 699)	(259 699)
			Internal audit			
1 085 226	(2 117 820)	(1 032 593)	Community and Public Safety	732 436	(1 772 809)	(1 040 373)
1 411 540	(1 895 050)	(483 511)	Community and social services	932 712	(2 179 990)	(1 247 278)
-	(121 075)	(121 075)	Sport and recreation	-	(121 600)	(121 600)
-	(345 336)	(345 336)	Public safety	-	(1 084 463)	(1 084 463)
(5 042)	(38 855)	(43 897)	Housing	(168 881)	(41 575)	(210 456)
			Health			
			Economic and Environmental Services			
96 313	(411 330)	(315 017)	Planning and development	126 585	(994 714)	(868 130)
311 145	(6 781 215)	(6 470 069)	Road transport	1 003 025	(4 499 922)	(3 496 898)
-	-	-	Environmental protection	-	-	-
			Trading Services			
18 478 235	(13 749 963)	4 728 272	Energy sources	13 267 181	(15 225 465)	(1 958 284)
11 787 409	(12 630 065)	(842 656)	Water management	10 351 486	(12 758 709)	(2 407 223)
24 884 338	(3 704 126)	21 180 212	Waste water management	4 347 004	(3 555 757)	791 247
3 595 968	(3 997 123)	(401 155)	Waste management	3 631 374	(4 927 550)	(1 296 176)
-	(95 758)	(95 758)	Other	-	-	-
93 215 856	(76 036 462)	17 179 394	Sub Total	61 353 122	(78 239 436)	(16 886 314)
-	-	-	Less Inter-Departmental Charges	-	-	-
93 215 856	(76 036 462)	17 179 394	Total	61 353 122	(78 239 436)	(16 886 314)

APPENDIX C
RICHTERSVELD MUNICIPALITY
SEGMENTAL STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2019
MUNICIPAL VOTES CLASSIFICATIONS

2018 Actual Income R	2018 Actual Expenditure R	2018 Surplus/ (Deficit) R		2019 Actual Income R	2019 Actual Expenditure R	2019 Surplus/ (Deficit) R
			Executive and council			
81 649	(6 225 057)	(6 143 407)	Council General Expenses	(100 000)	(5 468 561)	(5 568 561)
-	(983 273)	(983 273)	Municipal Manager	49 231	(480 361)	(431 130)
-	(95 758)	(95 758)	Tourism	-	-	-
			Administration: Corporate			
17 732 873	(7 245 231)	10 487 642	Administration.	22 064 020	(5 897 155)	16 166 865
(5 042)	(38 855)	(43 897)	Health Services	(168 881)	(41 575)	(210 456)
1 087 898	(2 040 441)	(952 544)	Library	728 908	(1 693 766)	(964 859)
253 106	(1 301 879)	(1 048 773)	Offices	262 927	(1 217 023)	(954 096)
6 018	(424 177)	(418 159)	Vehicle Testing	672	(433 522)	(432 850)
			Administration: Community			
2 766 236	(287 582)	2 478 654	Properties	(63 993)	(2 368 232)	(2 432 225)
332 082	(250 739)	81 343	Commonage	429 821	(274 818)	155 003
3 447	(39 254)	(35 807)	Cemetery	5 181	(38 420)	(33 239)
-	(307 212)	(307 212)	Housing Scheme 4	-	(659 061)	(659 061)
-	(38 124)	(38 124)	Housing Scheme 5	-	(425 402)	(425 402)
-	(121 075)	(121 075)	Fire Brigade	-	(121 600)	(121 600)
(23 057)	(1 013 653)	(1 036 710)	Workshop	(19 350)	(1 109 633)	(1 128 983)
-	(38 124)	(38 124)	Beaches	-	(40 623)	(40 623)
1 424 936	(1 375 718)	49 217	Caravan Park	932 029	(1 609 508)	(677 479)
(6 118)	(38 124)	(44 243)	Museum	(1 653)	(40 623)	(42 276)
(13 396)	(88 634)	(102 030)	Recreational Park	(2 576)	(76 575)	(79 151)
-	(376 731)	(376 731)	Community Gym	3 259	(450 764)	(447 505)
			Financial Services			
739 530	(11 171 036)	(10 431 506)	Administration	(2 514 293)	(11 691 474)	(14 205 767)
9 688 305	(2 003 827)	7 684 478	Assessment Rates	7 021 838	(2 587 430)	4 434 408
			Infrastructure			
3 595 968	(3 997 123)	(401 155)	Refuse Removal	3 631 374	(4 927 550)	(1 296 176)
24 884 338	(3 702 078)	21 182 260	Sewerage Services	4 347 004	(3 555 757)	791 247
401 441	(6 359 086)	(5 957 645)	Roads & Stormwater	1 128 938	(4 997 643)	(3 868 705)
11 787 409	(12 630 065)	(842 656)	Water Services	10 351 486	(12 758 709)	(2 407 223)
18 478 235	(13 749 963)	4 728 272	Electricity Services	13 267 181	(15 225 465)	(1 958 284)
-	(15 843)	(15 843)	Sport Ground	-	(2 521)	(2 521)
-	(77 799)	(77 799)	Planning and Development	-	(45 666)	(45 666)
93 215 856	(76 036 462)	17 179 394	Sub Total	61 353 122	(78 239 436)	(16 886 314)
-	-	-	Less Inter-Departmental Charges	-	-	-
93 215 856	(76 036 462)	17 179 394	Total	61 353 122	(78 239 436)	(16 886 314)

APPENDIX E
RICHTERSVELD MUNICIPALITY
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003

Grant Description	Balance 30 June 2018	Correction of Error	Restated Balance 30 June 2018	Contributions during the year	Interest on Investments	Repaid to National Revenue Fund	Operating Expenditure during the year Transferred to Revenue	Capital Expenditure during the year Transferred to Revenue	Balance 30 June 2019	Unspent 30 June 2019 (Creditor)	Unpaid 30 June 2019 (Debtor)
National Government Grants											
Equitable Share	-	-	-	15 473 000	-	-	(15 473 000)	-	-	-	-
Finance Management Grant	-	-	-	1 970 000	-	-	(1 923 146)	-	46 854	46 854	-
Municipal Infrastructure Grant	2 130 703	-	2 130 703	2 429 000	-	(3 550 009)	-	(1 009 694)	-	-	-
Integrated National Electrification Grant	113 055	-	113 055	4 000 000	-	(113 055)	(1 000 000)	(242 805)	3 757 195	3 757 195	-
Expanded Public Works Programme Integ	-	-	-	1 000 000	-	-	-	-	-	-	-
Municipal Disaster Grant	-	-	-	-	-	-	-	-	-	-	-
Water Services Infrastructure Grant	-	-	-	5 000 000	-	-	-	(5 000 000)	-	-	-
Total National Government Grants	2 243 758	-	2 243 758	29 872 000	-	(3 663 063)	(18 396 146)	(6 252 499)	3 804 049	3 804 049	-
Provincial Government Grants											
Libraries, Archives and Museums	162	-	162	928 000	-	-	(743 658)	-	184 504	184 504	-
Total Provincial Government Grants	162	-	162	928 000	-	-	(743 658)	-	184 504	184 504	-
Other Grant Providers											
Alexkor	56 759	-	56 759	-	-	-	-	-	56 759	56 759	-
SETA	-	-	-	53 767	-	-	(53 767)	-	-	-	-
Total Other Grant Providers	56 759	-	56 759	53 767	-	-	(53 767)	-	56 759	56 759	-
Total Grants	2 300 679	-	2 300 679	30 853 767	-	(3 663 063)	(19 183 570)	(6 252 499)	4 045 313	4 045 313	-

The Unspent Grants are cash-backed by term deposits. The municipality complied with the conditions attached to all grants received. No grants were withheld.